

THE PRAGMATIST'S APPROACH TO MARKETING ANALYTICS

...Measure What Matters, Not What's Measurable

Justin Rondeau - Director of Marketing, DigitalMarketer

HI, I'M JUSTIN RONDEAU...



JUSTIN RONDEAU

Director of Marketing
DigitalMarketer

- I test things and make us more money
- I've run 500+ & analyzed 3,000+ tests for both B2B & eCommerce companies
- I've trained some of the leading optimization teams at fortune 500 companies
- I *still* think mustaches are cool

Data has no intrinsic value

MENU



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Harvard
Business
Review



ARTIST: TONAL COHEN, ANDREW LUBOWITZ, 2011, 30x40 INCHES
ON A WALL FROM A NEW SERIES, "HARBOR, 2011"

DATA

Data Scientist: The Sexiest Job of the 21st Century

WHAT TO READ NEXT



Goldman is a good example of a new key player in organizations: the “data scientist.” It’s a high-ranking professional with the training and curiosity to make discoveries in the world of big data. The title has been around for only a few years.

More than anything, what data scientists do is make discoveries while swimming in data. It’s their preferred method of navigating the world around them.

lab.digitalmarketer.com/users/sign_in	🔗	10,348	(3.18%)	8,187	(3.52%)	00:00:37	2,918	(3.58%)	28.48%	14.90%	\$0.1
www.digitalmarketer.com/	🔗	9,948	(3.03%)	8,121	(3.57%)	00:01:39	6,473	(3.87%)	36.59%	33.56%	\$0.1
digitalmarketer.com/?p=lab-elite-special	🔗	8,365	(2.58%)	7,733	(3.39%)	00:13:18	7,690	(3.87%)	41.27%	86.93%	\$0.1
certifications.digitalmarketer.com/users/sign_in	🔗	7,437	(2.22%)	4,456	(2.47%)	00:00:50	2,386	(2.78%)	26.40%	13.90%	\$0.1
certifications.digitalmarketer.com/my_courses	🔗	5,896	(1.79%)	4,499	(2.00%)	00:01:01	676	(0.81%)	28.27%	14.19%	\$0.1
lab.digitalmarketer.com/	🔗	5,409	(1.67%)	3,764	(2.47%)	00:01:02	831	(0.14%)	35.54%	12.07%	\$0.1
www.digitalmarketer.com/?p=/the-ad-templates/7Wbke0Source=Facebook&fbclid=IwAR0G4798018102	🔗	4,305	(1.31%)	3,400	(2.27%)	00:05:12	3,381	(3.47%)	84.96%	92.91%	\$0.1
www.digitalmarketer.com/101-best-email-subject-lines-2014/	🔗	3,818	(1.16%)	3,399	(1.22%)	00:05:25	3,379	(3.22%)	88.16%	88.76%	\$0.1
www.digitalmarketer.com/?p=launch-plan/	🔗	3,590	(1.09%)	3,286	(1.27%)	00:02:34	3,262	(2.98%)	62.29%	62.67%	\$0.1
certifications.digitalmarketer.com/my_courses/	🔗	3,424	(1.04%)	2,083	(0.79%)	00:00:51	363	(0.23%)	26.76%	12.03%	\$0.1
lab.digitalmarketer.com/exercise_plan	🔗	3,299	(1.01%)	2,341	(0.92%)	00:01:06	266	(0.23%)	31.15%	16.58%	\$0.1
www.digitalmarketer.com/blog/	🔗	3,000	(0.91%)	2,447	(0.92%)	00:01:37	1,868	(0.91%)	61.77%	34.26%	\$0.1
www.digitalmarketer.com/?p=/ad/get-traffic-plan-very	🔗	2,938	(0.89%)	1,357	(0.51%)	00:00:42	1,338	(1.21%)	9.76%	26.36%	\$0.1
www.digitalmarketer.com/which-facebook-ad-to-use/	🔗	2,887	(0.88%)	2,746	(1.27%)	00:05:19	2,694	(2.28%)	71.19%	77.49%	\$0.1
www.digitalmarketer.com/customer-value-optimization/	🔗	2,439	(0.74%)	2,163	(0.87%)	00:04:17	1,259	(1.14%)	69.84%	61.28%	\$0.1
www.digitalmarketer.com/products/	🔗	2,368	(0.72%)	1,764	(0.80%)	00:01:35	436	(0.40%)	61.15%	33.14%	\$0.1
hq.digitalmarketer.com/	🔗	2,379	(0.72%)	1,761	(0.80%)	00:00:32	627	(0.37%)	21.80%	17.89%	\$0.1
www.digitalmarketer.com/lead-magnet-idea-funnel/	🔗	1,962	(0.59%)	1,780	(0.87%)	00:04:09	1,234	(1.12%)	79.37%	66.67%	\$0.1
trafficadvertisingconsumers.com/	🔗	1,812	(0.54%)	1,421	(0.57%)	00:05:00	1,368	(1.18%)	66.10%	80.52%	\$0.1
certifications.digitalmarketer.com/	🔗	1,603	(0.48%)	1,297	(0.57%)	00:01:24	836	(0.23%)	36.36%	27.21%	\$0.1
certifications.digitalmarketer.com/my_courses/1317	🔗	1,582	(0.48%)	954	(0.39%)	00:01:13	87	(0.00%)	29.67%	16.63%	\$0.1
www.digitalmarketer.com/	🔗	1,575	(0.47%)	1,375	(0.53%)	00:01:07	85	(0.00%)	10.30%	0.00%	\$0.1



Old 'Data' Set At DM

Do we have more money at the end of the month than at the beginning?

Data Approach Now

Set key metrics by department to see overall health of the company.

DEV

SHADOW DB V3	10/31 →
DMAQ CONTINUITY EO	10/15 ✓ →
DRES SITE	10/13 ✓
DRES SUPER EARLY BIRD	10/13 ✓
DEPT SALES PRE-ALL	10/13 ✓
DIA LIVE CUTE ONCEMORE	10/20 ✓
10 DAY TRAFFIC	10/20 ✓
WORKSHOP OVERVIEW	10/24 ✓
PARTNER PAGE	10/17 →
RECAPTECH IN LAB	10/25 ✓
WELT FORWARD IN	10/25 ✓
REQUIREMENTS GUIDE TO MARKETING	10/27 →

MARKETING

LEADS

LEADS	↓ 48% , - % GOAL
LEADS	↓ 69% , - % GOAL
LEADS	↑ 10% , 73% GOAL
LEADS	↓ 18% , 53% GOAL
LEADS	↓ 66% , 200% GOAL

ENGAGEMENT

ENGAGEMENT	12%
ENGAGEMENT	↓ 38%
ENGAGEMENT	↑ 21%

CONTENT

CONTENT	100% , 100% GOAL
POST 1	582%
POST 2	%
POST 3	291%
POST 4	%
POST 5	31% , 91% GOAL

SALES

SALES	of \$150,000 , % GOAL
SALES	81%
SALES	64%
SALES	1% , % GOAL

CXS

CXS	100% , % GOAL
CXS	↓ 194% , 8 HR COM
REFUNDS	\$60,000 , 10% GOAL
REFUNDS	4% , under goal
TOP 5 TICKETS	
1. 187 Lab curves	
2. 77. Email Unsubs	
3. 61. Lab Trial Cancel	
4. 67. Lab Login Issues	
5. 57. H2 Cancel (Note: 2018)	

DM LAB

DM LAB	↑ 1%
DM LAB	↑ 14%
DM LAB	↑ 12%

DMHQ

DMHQ	↑ 4%
DMHQ	- %
DMHQ	↑ 22%

DMCP

DMCP	- 0%
------	------

EVENTS

T+C 2018	OF 6500
REMAINING	
DAYS 2018	OF 350
REMAINING	

4 Steps to valuable data

ANALYSIS IN FOUR STEPS

1. ASK THE RIGHT QUESTIONS

IF YOU DON'T KNOW WHAT YOU WANT TO KNOW, YOU WON'T KNOW WHAT TO LOOK FOR!

2. KNOW WHERE TO LOOK

THERE IS NO USE ASKING A QUESTION WHERE YOU CAN'T FIND AN ANSWER

3. KNOW WHAT TO LOOK FOR

LOOKING AT THE WRONG DATA WILL HURT YOUR BUSINESS

4. KNOW HOW IT APPLIES

YOU NEED TO APPLY THE NUMBERS TO ANSWER YOUR QUESTIONS

ANALYSIS IN FOUR STEPS

1. CREATING SCOPE

THIS CREATES YOUR CONTEXT AND IDENTIFIES THE APPLICATION OF YOUR FINDINGS

2. PICKING DATA SOURCE

THE DATA SOURCES YOU USE WILL VARY, PICK THE RIGHT ONE FOR THE RIGHT JOB

3. COMPILING DATA

LOOKING AT THE WRONG DATA WILL HURT YOUR BUSINESS

4. APPLYING DATA

TURNING DATA INTO LEARNINGS THAT DRIVE DECISIONS

EXAMPLE OF FOUR STEPS

1. HOW MANY ORDERS DO I GET A MONTH?

EASY QUESTION & A MUST KNOW METRIC

2. CHECK YOUR ECOMMERCE PROVIDER

YOU CAN ALSO LOOK AT GA, BUT THERE IS LIKELY A MARGIN OF ERROR TO CONSIDER

3. FIND YOUR SALES TOTALS

ALWAYS STAY WITHIN THE SCOPE OF YOUR QUESTION. FIND THE YEARLY TOTAL AND DIVIDE BY # OF MONTHS

4. HOW IT APPLIES

BASIC SALES METRIC THAT'S USED FOR OTHER CALCULATIONS

EXAMPLE OF FOUR STEPS

HOW MANY ORDERS DO I GET A MONTH?

[illegible]

17,251 ORDERS / MONTH

EXAMPLE OF FOUR STEPS

1. WHAT'S MY REVENUE PER VISITOR IN DECEMBER?

LESS EASY QUESTION FOR BASIC METRIC

2. CHECK YOUR ECOMMERCE & ANALYTICS PROVIDER

IDEALLY YOU'D JUST LOOK IN GA, DESPITE THE MARGIN OF ERROR YOU WANT TO KEEP THE SYSTEM CLOSED

3. DIVIDE THE RAW SALES TOTALS BY UNIQUE VISITORS

IF JUST LOOKING IN GA, THEN THIS REPORT IS DONE FOR YOU.

4. HOW IT APPLIES

BASIC SALES METRIC THAT'S USED FOR OTHER CALCULATIONS. TELLS US THE VALUE OF EVERY UNIQUE VISITOR.

ANALYSIS IN FOUR STEPS

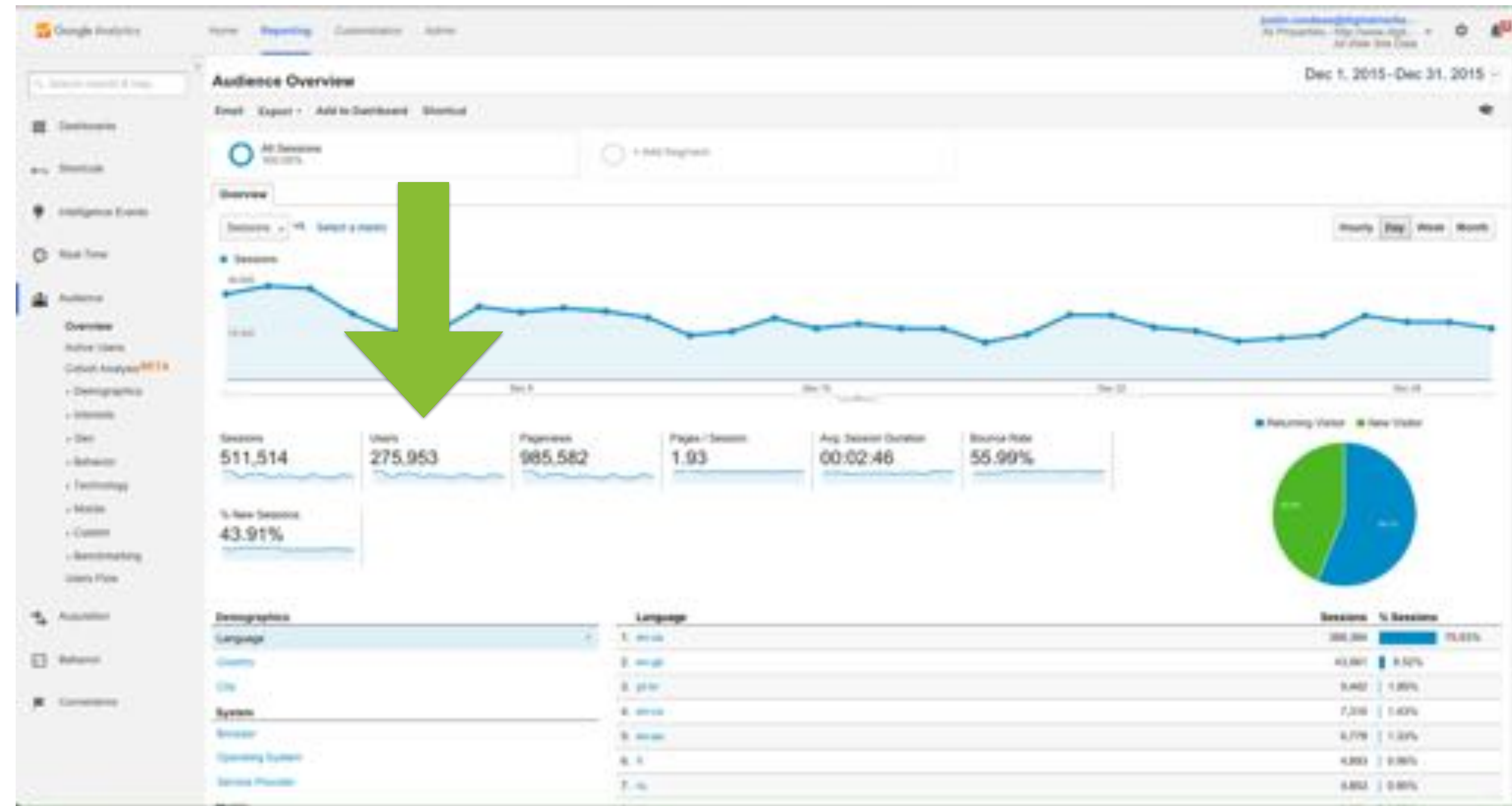
WHAT'S MY REVENUE PER VISITOR IN DECEMBER?

[illegible]

\$500,000 IN DECEMBER

ANALYSIS IN FOUR STEPS

WHAT'S MY REVENUE PER VISITOR IN DECEMBER?



500,000 / 275,953
\$1.81 per visitor

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ANALYSIS IN FOUR STEPS

1. WHICH TRAFFIC CHANNELS HAD THE BIGGEST IMPACT ON SALES

TOUGH APPLICABLE QUESTION

2. CHECK YOUR ANALYTICS PROVIDER

YOU ARE LOOKING FOR TRENDS HERE, STAY WITHIN YOUR ANALYTICS PROVIDER.

3. IDENTIFY YOUR BEST TRAFFIC SOURCES

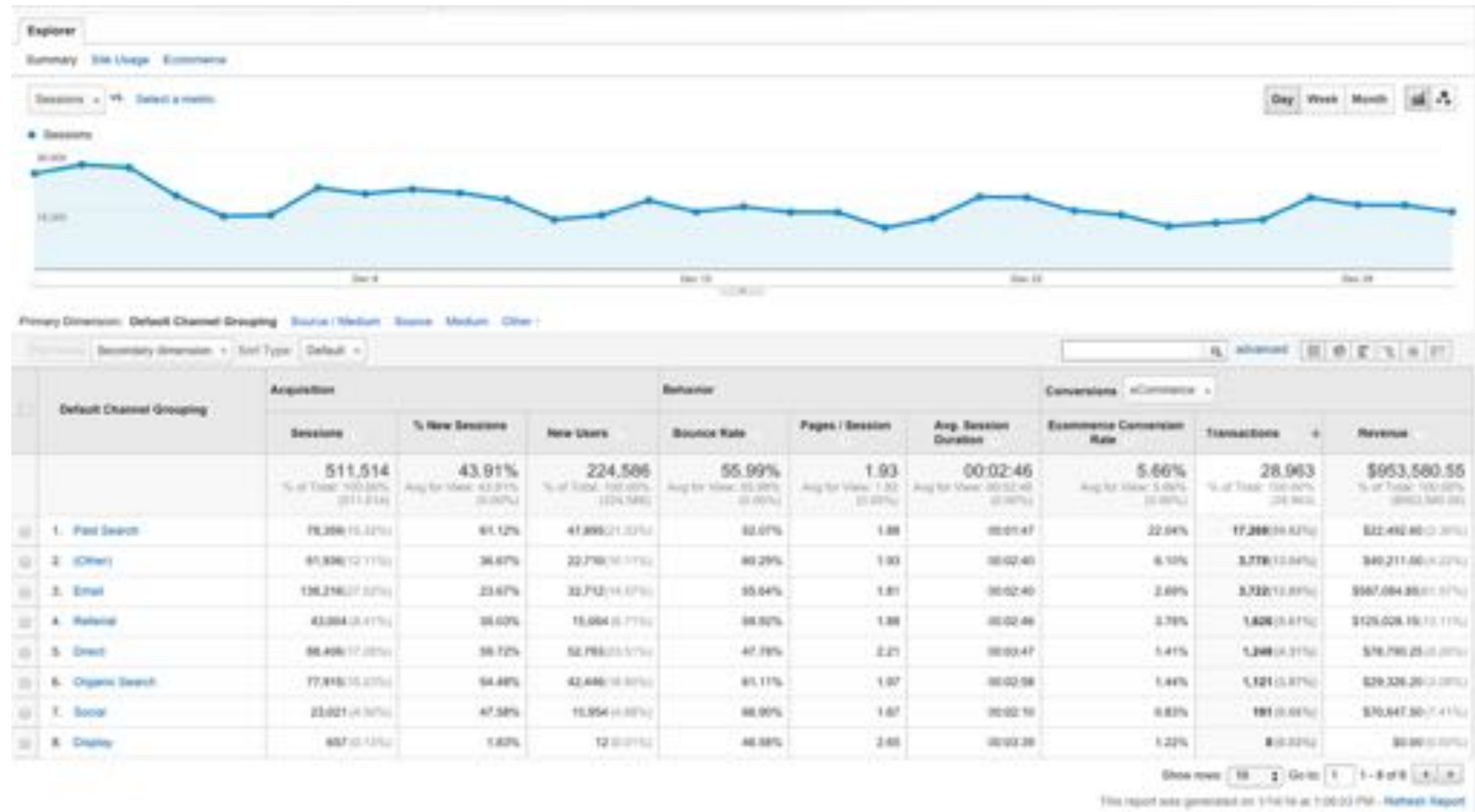
IF JUST LOOKING IN GA, THEN THIS REPORT IS DONE FOR YOU.

4. HOW IT APPLIES

TELLS US OUR MOST SUCCESSFUL CHANNELS AND WHERE WE SHOULD ALLOCATE MORE BUDGET.

ANALYSIS IN FOUR STEPS

WHICH TRAFFIC CHANNELS HAD THE BIGGEST IMPACT ON SALES



ANALYSIS IN FOUR STEPS

1. WHERE/WHAT ARE PEOPLE SEARCHING ON MY SITE?

GREAT QUESTION THAT ANSWERS HOLES IN YOUR CONTENT

2. CHECK YOUR ANALYTICS PROVIDER

THIS IS AN EASY REPORT TO FIND IN GA

3. IDENTIFY YOUR INTERNAL SEARCH TERMS

YOU NEED TO TURN THIS OPTION ON IN YOUR ADMIN SECTION

4. HOW IT APPLIES

THIS IS THE ONLY PLACE WHERE YOUR CUSTOMER IS TELLING YOU WHAT THEY WANT (AND WHEN THEY WANT IT)

ANALYSIS IN FOUR STEPS

WHEN SEARCH STARTS ON YOUR SITE



Finding your key metrics

Leads			
Product	Amount	WoW Change	Percent Monthly Goal
Lab	2801	-41.51%	#VALUE!
HQ	182	-68.99%	#VALUE!
CP Interest	70.00	-87.27%	257.41%
CP Replies	167.00	9.87%	154.11%
Trials			
Product	Amount	WoW Change	Percent Monthly Goal
Lab	168.00	-18.45%	53.00%
HQ	53.00	-66.46%	119.43%
CP Appointments	16.00	-36.00%	120.59%
Engagement			
Channel	List/Audience Size	Engaged Audience	Percent Engage Change WoW
Email		144,883	12.23%
Facebook	325,781.00	11,640.00	-37.99%
Instagram	9,066.00	61.00	-51.59%
LinkedIn	3,545	1.33%	20.91%

Have
something at
stake.

Data isn't
merely a
report.

MARKETING			
VENOS			
		↓ 48%	- % GPM
		↓ 69%	- % GPM
		↑ 10%	73 % GPM
EVEN			
		↓ 18%	53 % GPM
		↓ 66%	200 % GPM
ENGAGEMENT			
	/		12%
	/	↓ 38%	
	/	↑ 21%	

What we THOUGHT were Key Metrics For Marketing

- Trial Count (x2)
- Member Count (x2)
- Churn (x2)
- MRR (x2)
- ARR (x2)
- On/Off WoW (x2)
- Lead Count (x3)
- CPL (x3)
- Trials Started (x2)
- Cost Per Trial (x2)
- Roll Over Rate (x2)
- Event Tickets Sold
- List Size
- Engagement Rate (x4)
- Deliverability
- Churn on List
- Open/Click Rate

What we THOUGHT were Key Metrics For Marketing

- Trial Count (x2)
- Lead Count (x3)
- List Size
- Member Count (x2)
- CPL (x3)
- Engagement Rate (x4)
- Churn (x2)
- Cost Per Trial (x2)
- Deliverability
- MRR (x2)
- Roll Over Rate (x2)
- Churn on List
- ARR (x2)
- Open/Click Rate
- On/Off WoW (x2)
- Event Tickets Sold

33 KEY METRICS?

As opposed
to 11 across 3
sub-
departments:

Social
Email
Acquisition

Leads			
Product	Amount	WoW Change	Percent Monthly Goal
Lab	2801	-41.51%	#VALUE!
HQ	182	-68.99%	#VALUE!
CP Interest	70.00	-87.27%	257.41%
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LinkedIn	3,545	1.33%	20.91%

**HOW DO YOU PICK THE
RIGHT KEY METRICS?**

Answer:

Your key metrics are the answers to your most commonly asked questions.

NOT A KEY METRIC

WHAT'S MY REVENUE PER VISITOR IN DECEMBER?

We've only asked this question really once, it's more or less a vanity metric or something we can compare to our Cost Per Click for affiliate offers (which we don't do).

DEFINITELY A KEY METRIC

How Many New Lab Trials This Week?

My boss asks me this EVERY DAY. I need a good answer. We also know the health of our product requires a minimum number of trials weekly.

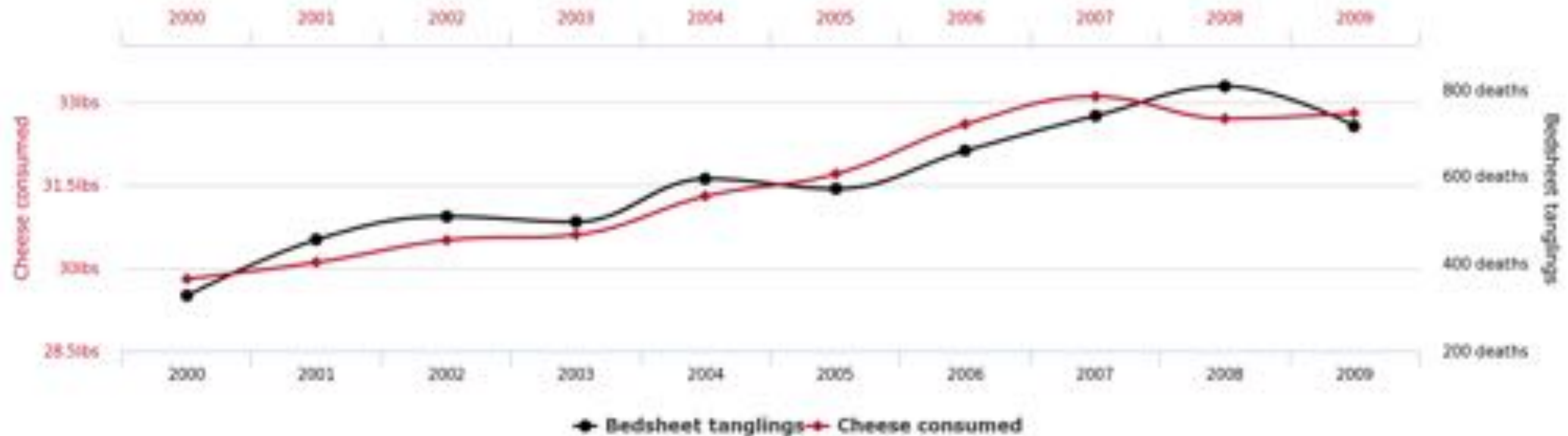
The 'deep dive' fallacy

**Deep Dive/correlative
metrics can cause more
problems than solutions**

Per capita cheese consumption

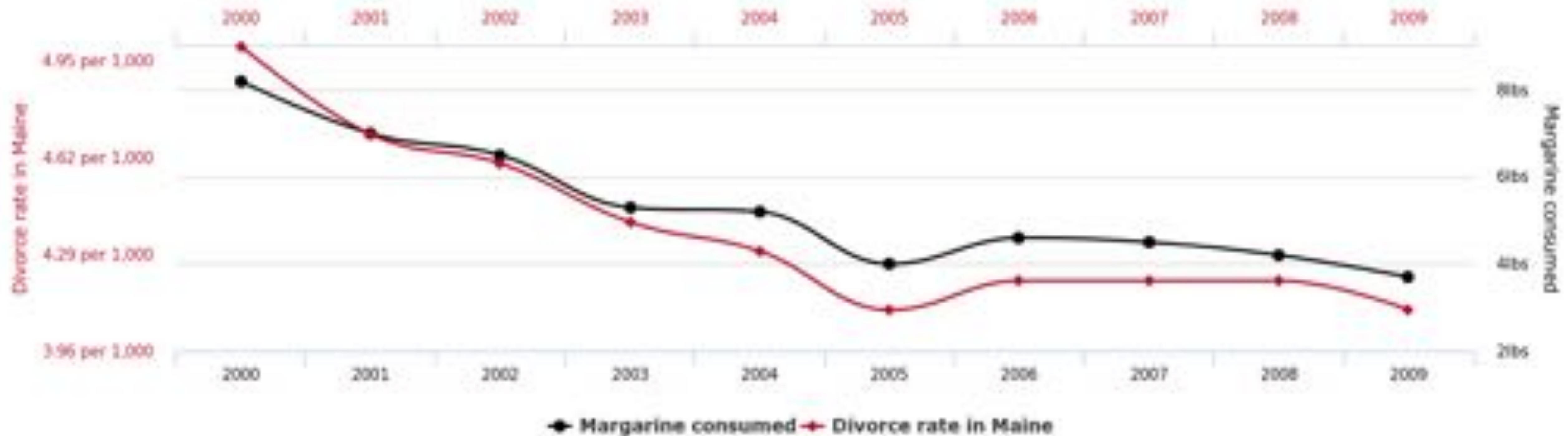
correlates with

Number of people who died by becoming tangled in their bedsheets



lyherald.com

Divorce rate in Maine correlates with Per capita consumption of margarine



Lynda Vignoli, 2009

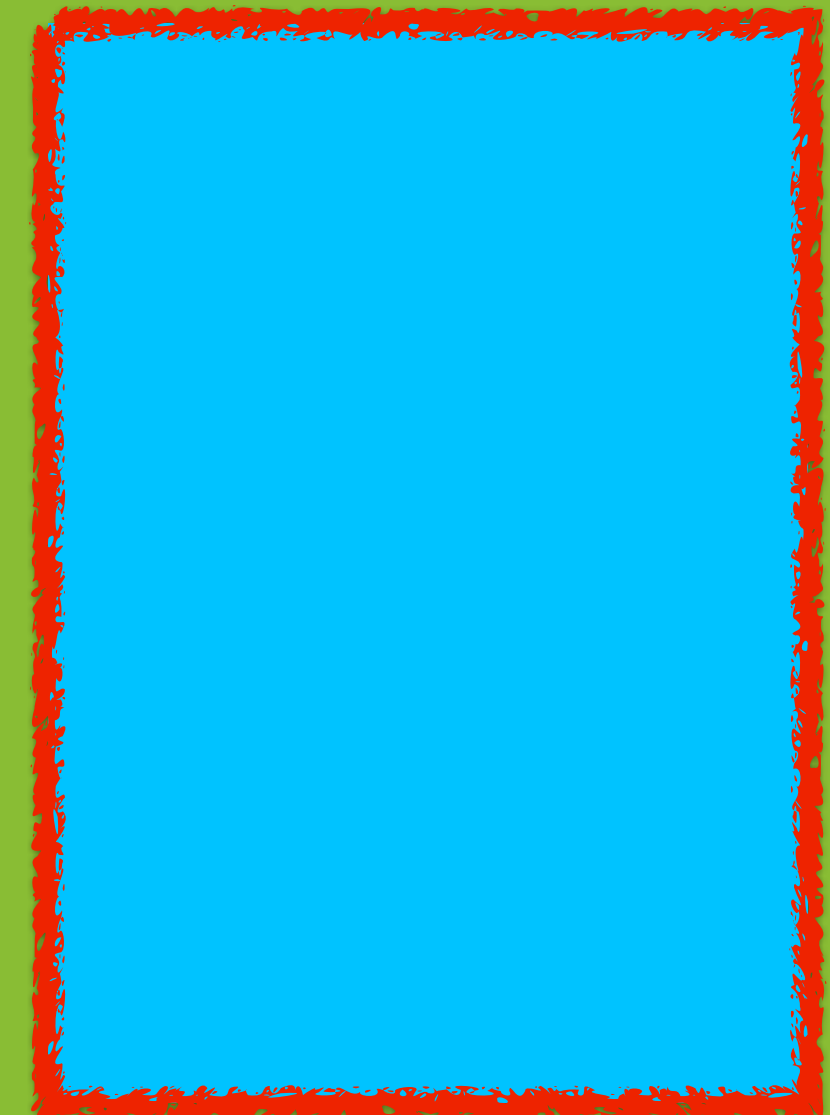
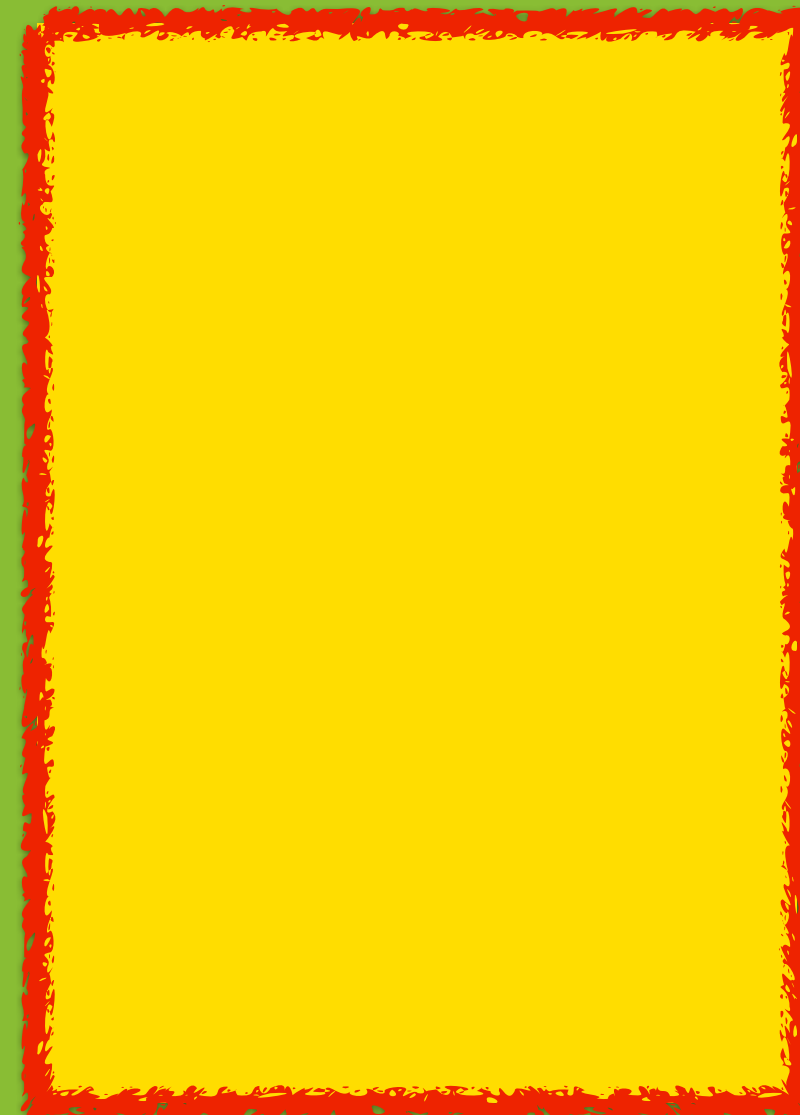
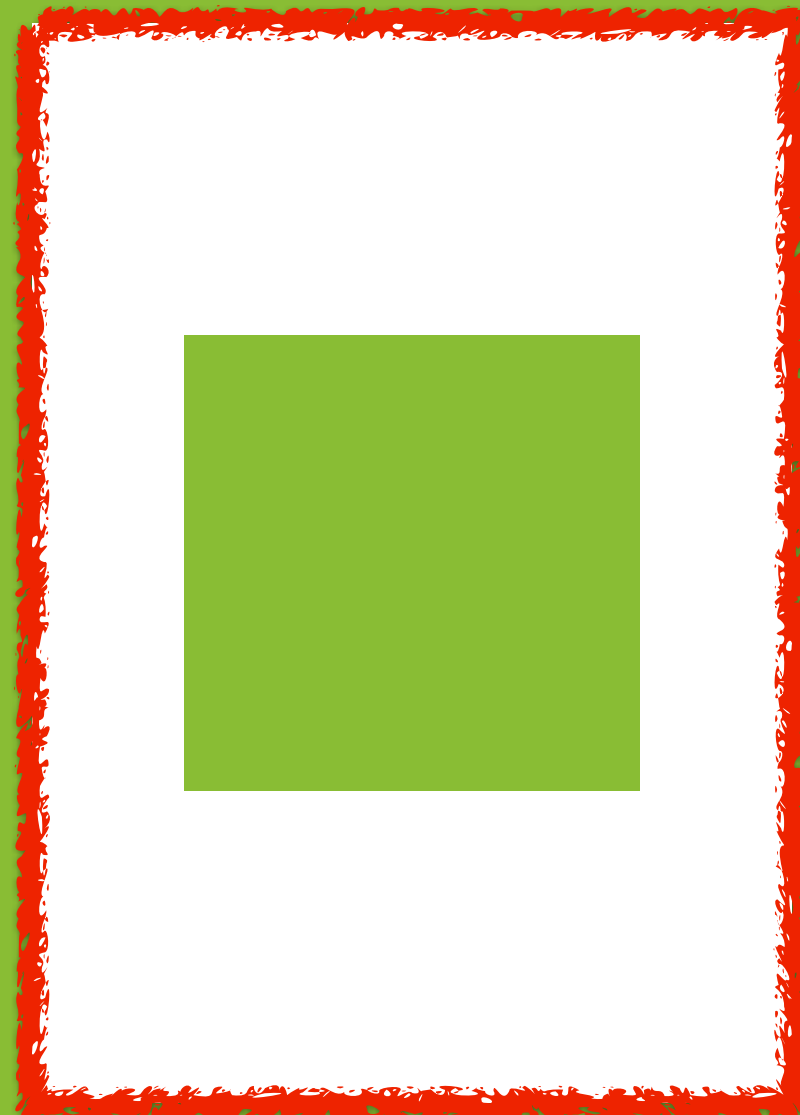
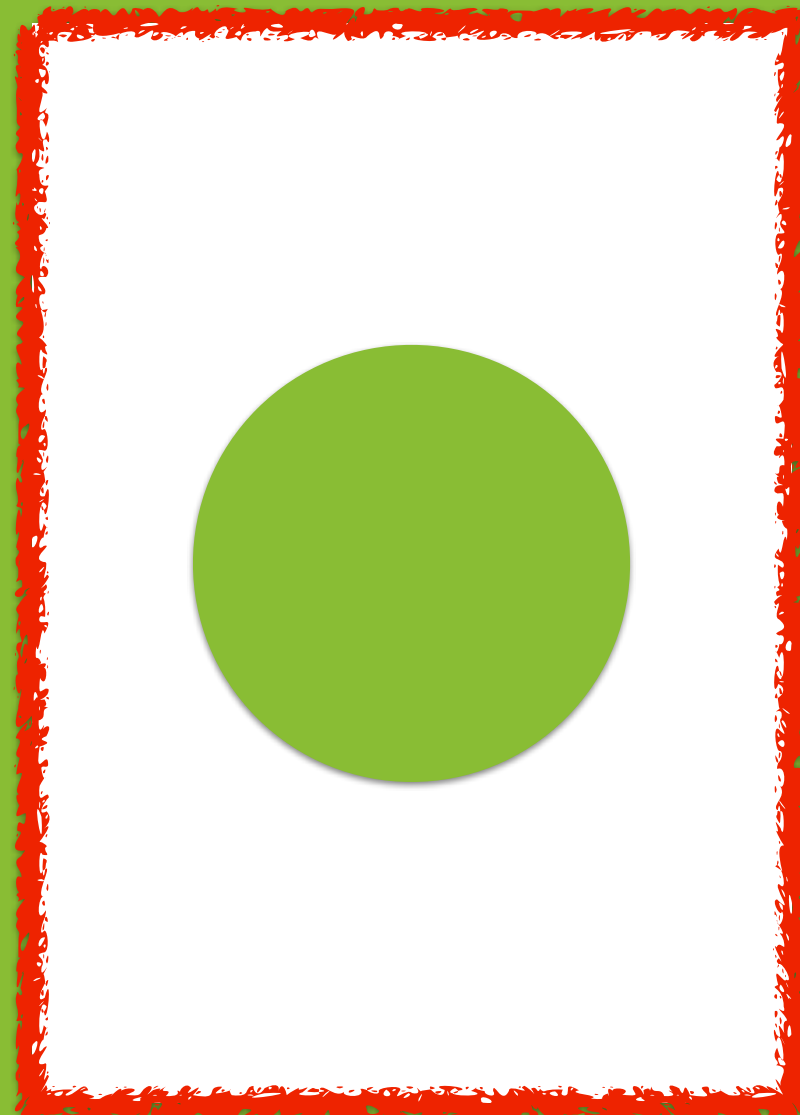
WE MUST GET BETTER AT

FINDING WHAT DOESN'T FIT

LET'S TRY ONE EXERCISE

RULE:
**IF A CARD HAS A CIRCLE ON ONE SIDE, THEN IT HAS THE COLOR YELLOW ON THE
OTHER SIDE**

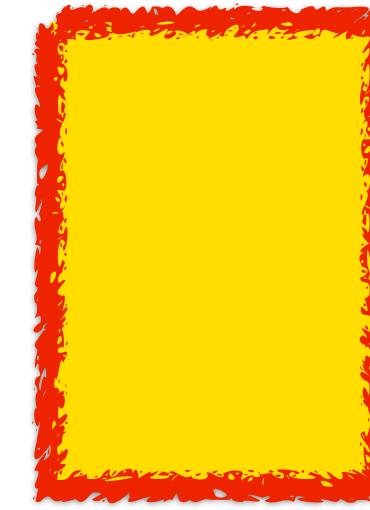
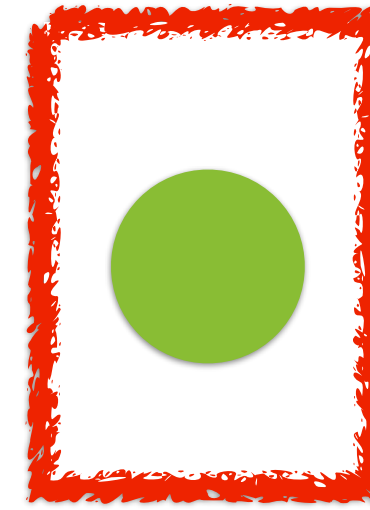
WHICH CARD(S) *MUST* YOU TURN OVER?



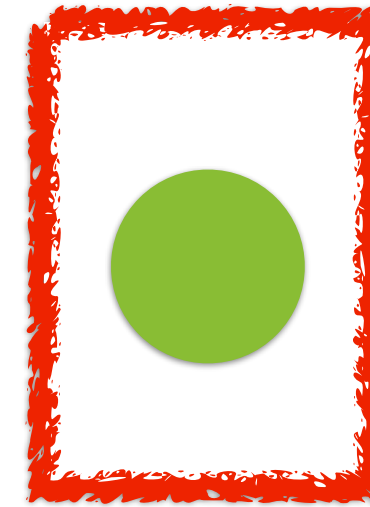
THE RESULTS

JOHNSON-LAIRD & WASON, 1970A

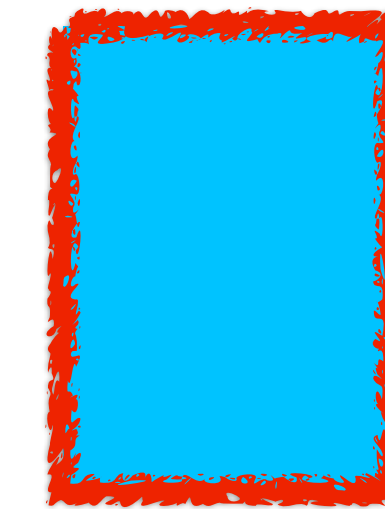
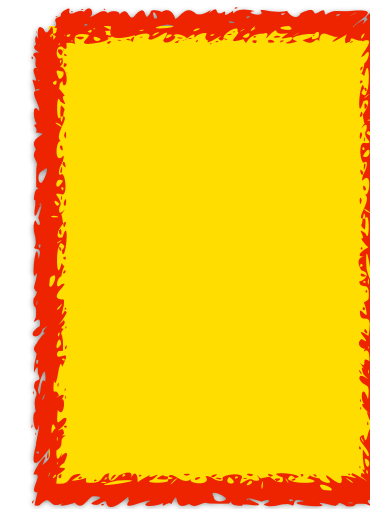
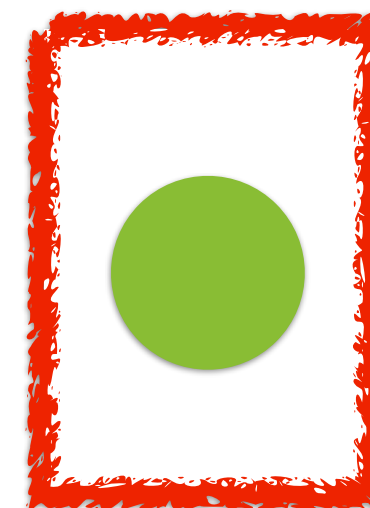
46%



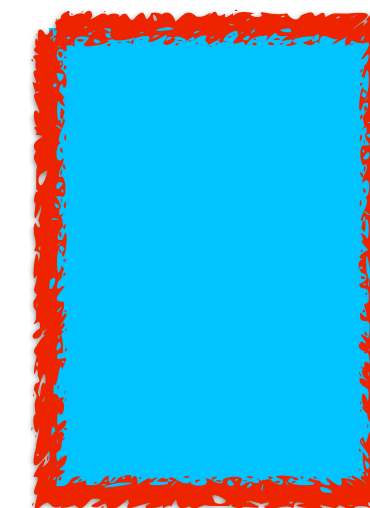
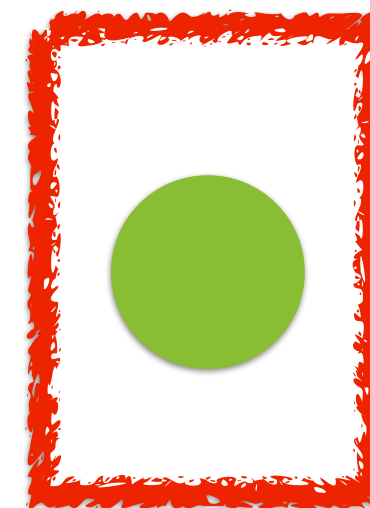
33%



7%



4%



10% OTHER

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RULE:

IF A PERSON DRINKS AN ALCOHOLIC DRINK, THEN THEY MUST BE OVER THE AGE
OF 21 YEARS OLD.

WHICH CARD(S) **MUST** YOU TURN OVER?



22
YEAR
OLD

17
YEAR
OLD

RULE:

**IF A PERSON DRINKS AN ALCOHOLIC DRINK, THEN THEY MUST BE OVER THE AGE
OF 21 YEARS OLD.**

WHICH CARD(S) *MUST* YOU TURN OVER?

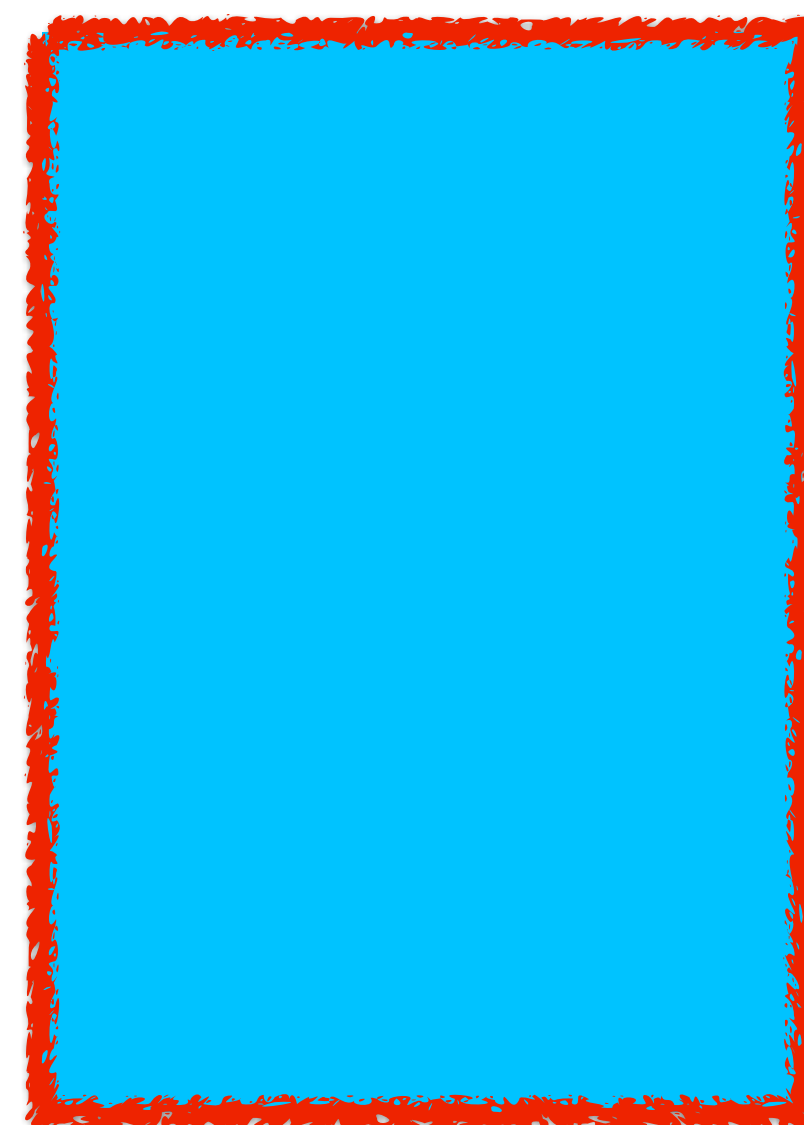
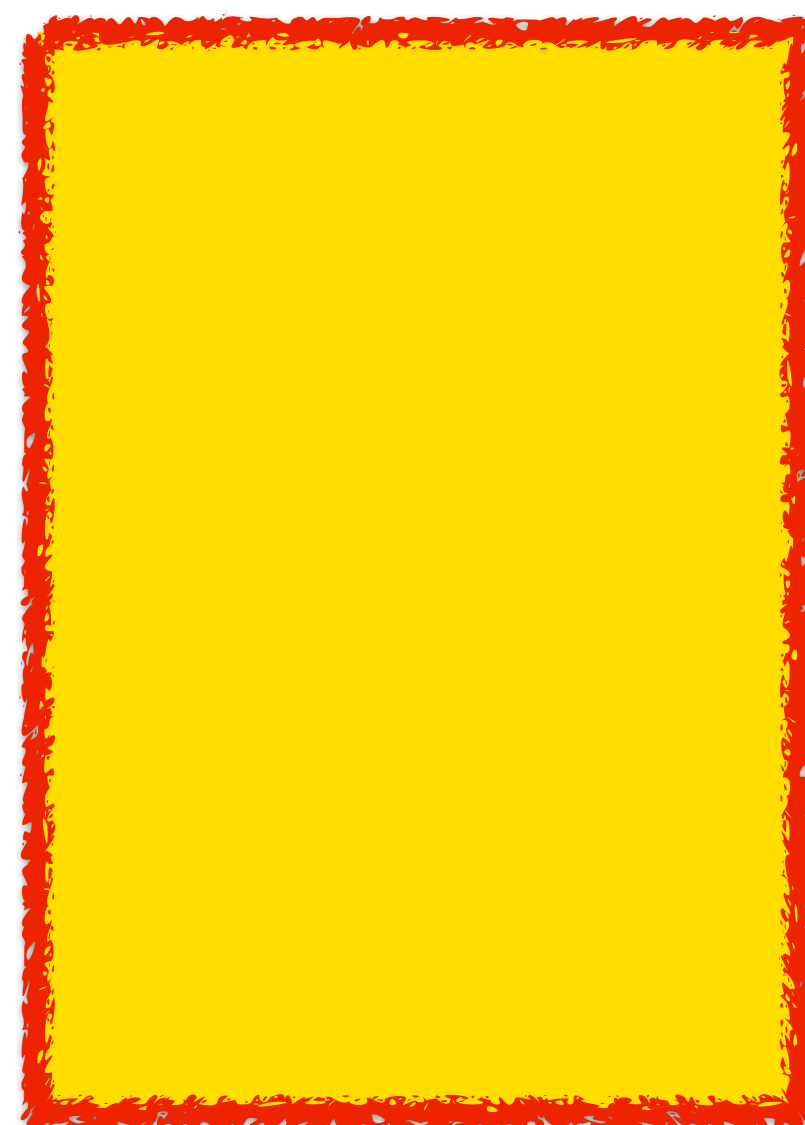
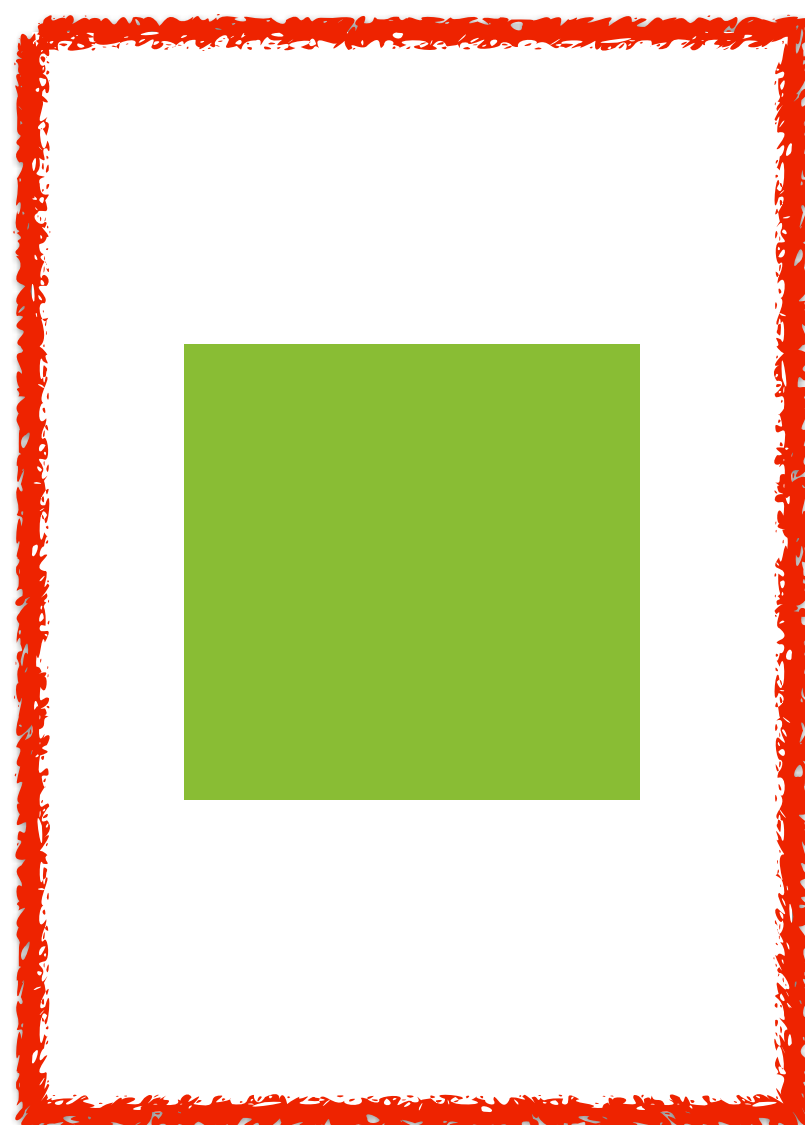
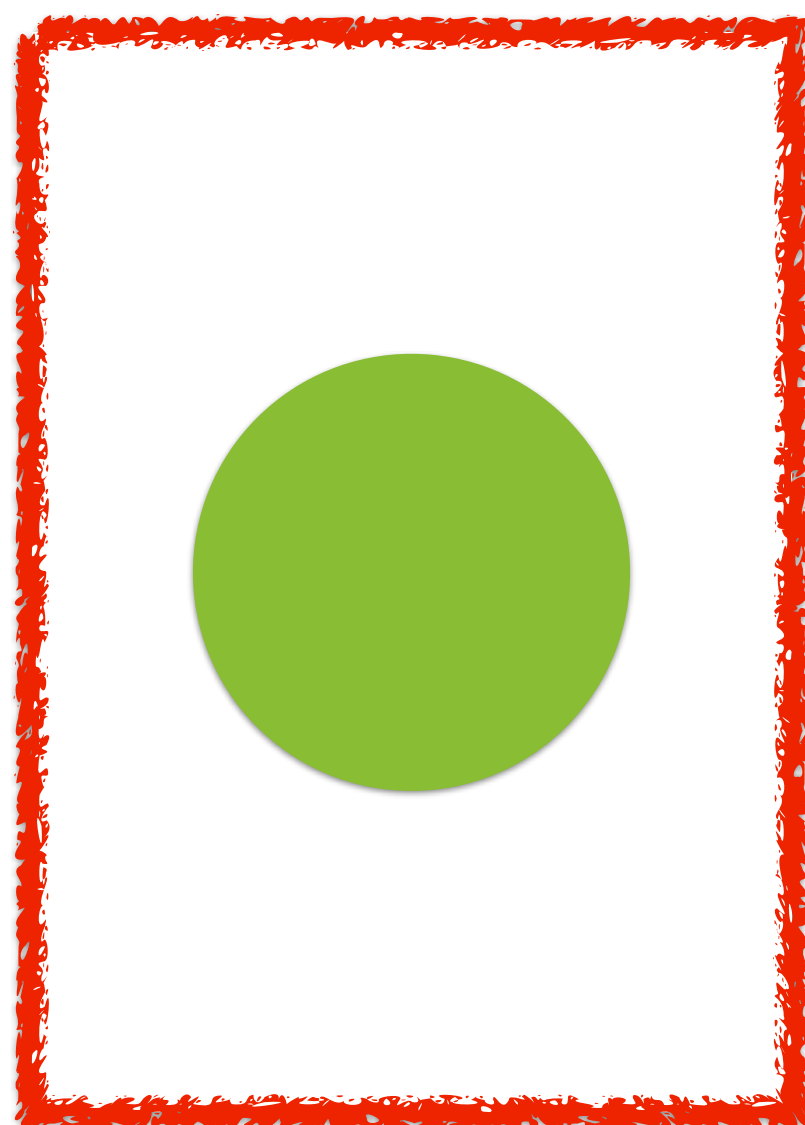


**17
YEAR
OLD**

APPLIED
SCENARIO
72%
RIGHT



17
YEAR
OLD



22
YEAR
OLD

17
YEAR
OLD

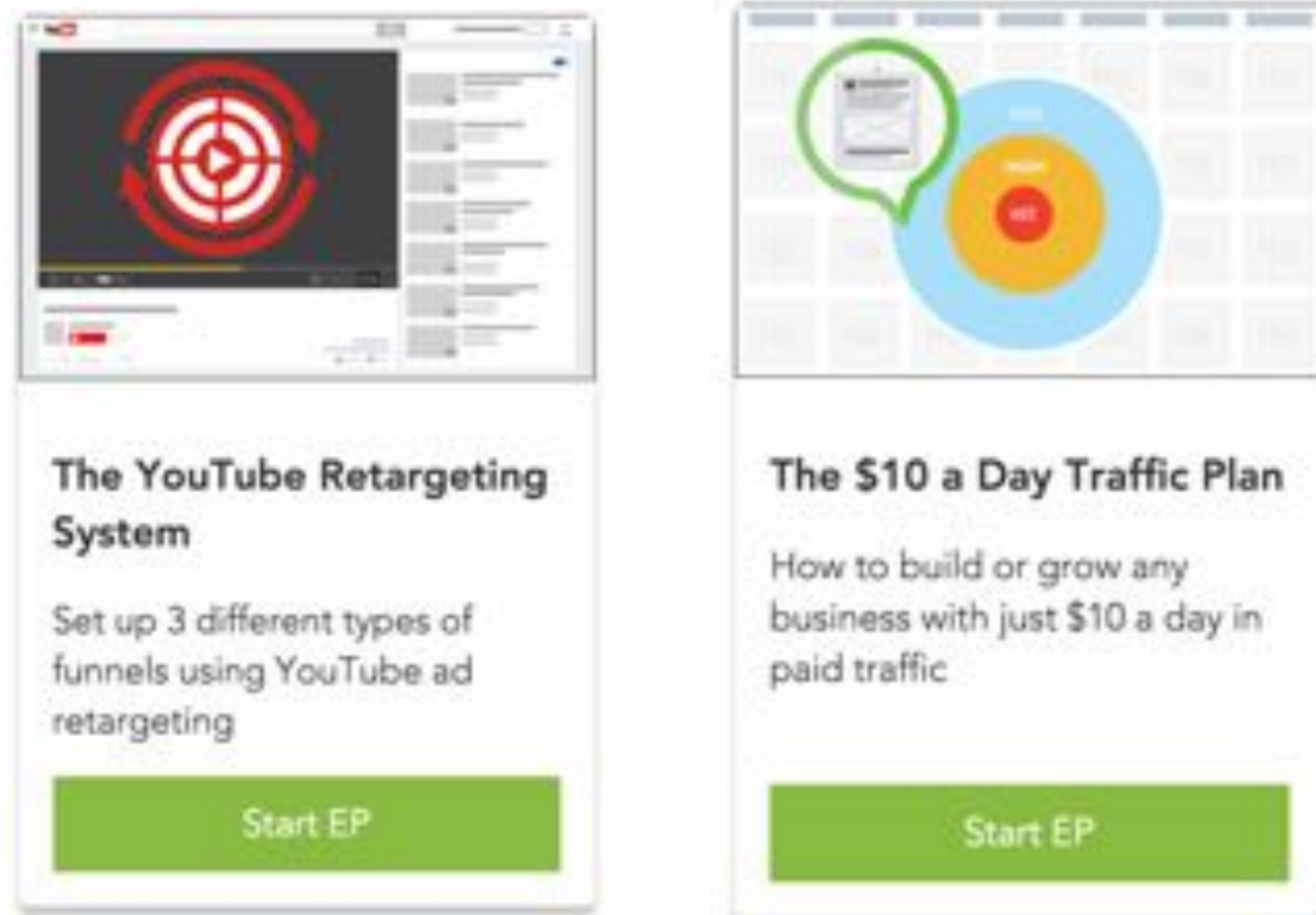
Approach Correlative Metrics With Intense Skepticism

Low Dollar Offers Causing More Subscription Sales

QUESTION:

OF LAB BUYERS WHO BOUGHT AN EP BEFORE THEY BOUGHT LAB, HOW MANY DID THEY BUY?

Low Dollar Offers Causing More Subscription Sales



WHAT WE LEARNED:
**WE CHANGED OUR STRATEGY TO PROMOTE MORE EPS
MORE OFTEN TO GET CUSTOMERS TO THAT 2 EP
THRESHOLD**

OR DID WE?!

Giving data a heart

TWO TYPES OF QUALITATIVE DATA

ACTIVE

User data where the user is aware they are in a tested environment

PASSIVE

User data where the user is unaware they are in a tested environment

Kinds of Active Active Data

- **User Surveys**
- **Usability Tests**
- **Voluntary Eye Tracking Tests**
- **Focus Groups**

Kinds of Passive Qualitative Data

- **Session Recordings**
- **Heatmaps**
- **Customer Support Questions**
- **Sales Questions**

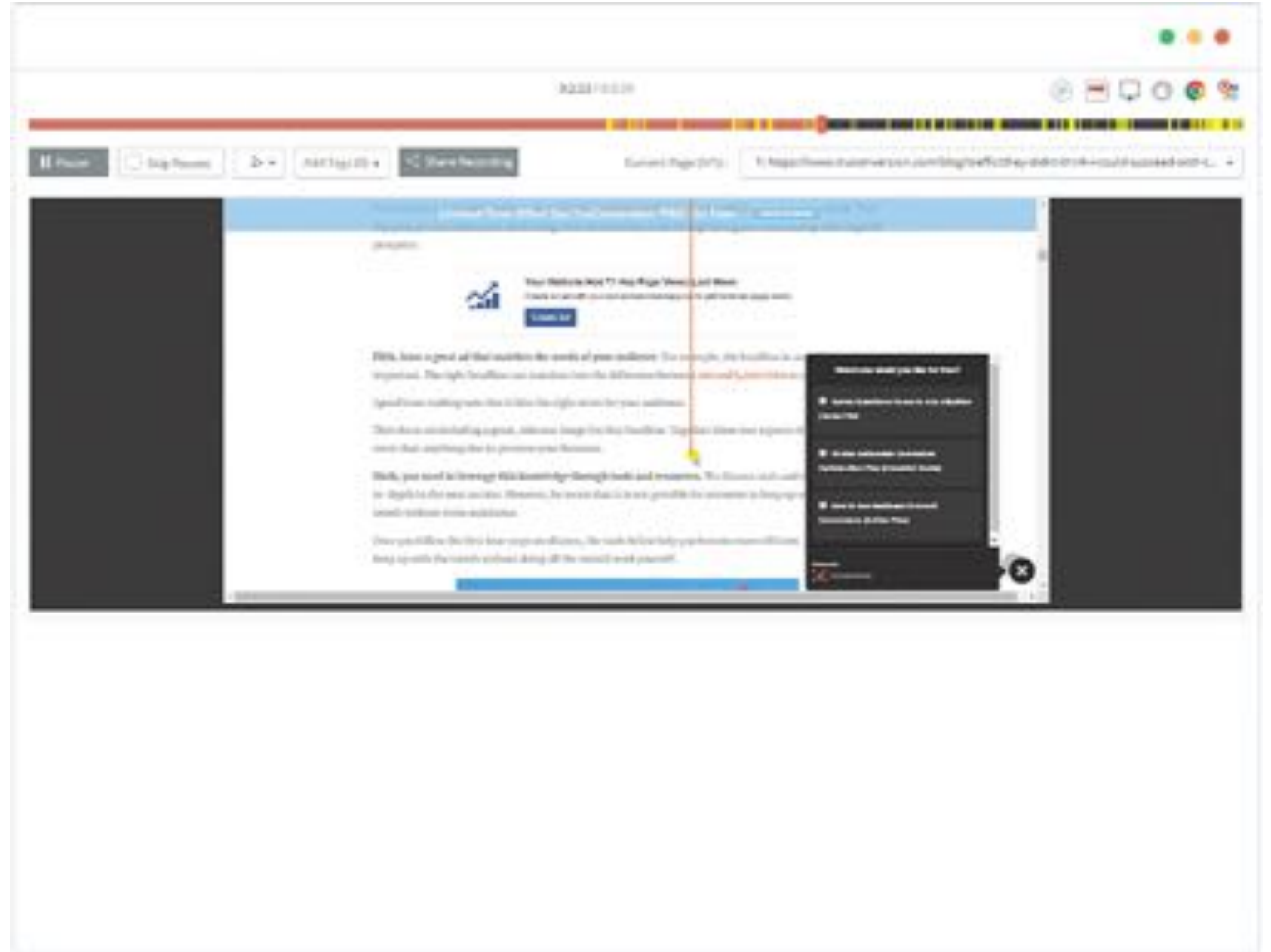
What You Can Learn

- What stands out to visitors (and what doesn't)
- Where visitors are scrolling
- How long it takes for visitors to click content
- Granular data on how different source traffic behaves.



What You Can Learn

- How individuals are using your site.
- Points of frustration on your page.
- Your visitors page journey.



Know What's Up With Your User

- **Frantic mouse movement or frantic clicks = pissed off**
- **Quick vertical scrolls in opposite directions = looking for something**
- **Sharp movement to the top corner = about to exit (look at where this movement starts)**
- **Movement following copy = reading**
- **Suddenly no movement = Bathroom :p**

**WHEN DO YOU USE THIS
TYPE OF DATA?**

Answer:

When you're still left with questions after analyzing the qualitative data. *These are supplemental sources.*

Wrapping Up

Data has no intrinsic value

Your approach to data and the question
you ask give it value

NEXT STEPS

5-Step Process

- **Start asking specific questions you need answered about your product.**
- **Pick the reporting mechanisms and report**
- **Have a benchmark to compare against**
- **Identify the questions you ask often**
- **When something is over or under performing, dig deeper with correlative metrics & qualitative metrics**

THANK YOU!

