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Analyze this

Companies flock to Web analytics to get more bang for the marketing buck

Portland Business Journal - by [Courtney Sherwood](#) Business Journal staff writer

Every month, Portland marketing agency **Babcock & Jenkins** sends out 75 tins of brownies to a different group of strangers, no name on the return address, and a mysterious Web site listed on a card.

It's an expensive promotion, but thanks to the fast-changing world of Web analytics President Denise Barnes knows the shipments are worthwhile.

The brownies go to chief marketing officers, vice presidents, directors and other high-level decision makers at some of the country's largest companies. Each time a curious recipient types in the attached URL — which is unique to that batch of brownies — Babcock & Jenkins knows it's one step closer to booking tens of thousands of dollars in new revenue.

A tag line and a brand name aren't enough anymore, Barnes said. Welcome to the new world of Web analytics.

In this world, a Borders book buyer who swipes her discount card when buying a new novel may get an e-mail three days later with a coupon for another book by the same author. A perfume shopper may be randomly sent to one of two different company Web sites so that behind-the-scenes analysts can assess which words and images are most likely to lead to a sale. And a creative agency that built its name on brand and image may find it needs high-tech skills to attract high-tech clients.

Analytics, in its broadest sense, is the use of data from Web site visitors to hone a company's sales and marketing effort. It began with the use of search-engine optimization, in which businesses tweaked the key words on their Web sites in order to boost Google hits and bring new potential clients to a page.

The industry has advanced, however, and today the leaders in analytics want to know much more than how to rank well on search engines. They want to know who you are, how you got there, and what they can do to make you buy.

Forrester Research estimates that Web analytics spending will grow at an annual rate of 17 percent over the next five years, reaching \$953 million in 2014. The firm attributes the shift to an increased focus on accountability.

The marketing gurus who design analytics campaigns want to know exactly how many dollars in sales a company can attribute to their online efforts.

Increasingly, the efforts yield success.

"Coca-Cola and Pepsi have changed their tag lines, I don't know how many times, and each time they go through focus groups and may spend millions of dollars," said Kent Lewis, president of Portland digital marketing agency **Anvil Media**. "We can quickly test different campaigns and use analytics to see which gets the best return on investment for much less money."

Anvil's campaign for Travel Portland, for example, uses print, radio and online efforts to drive visits to travelportland.com. By offering coupon codes or custom URLs specific to each campaign, Anvil tracks exactly how each visitor came to the site, then uses Internet tracking to see which customers ultimately book trips to the city. Travel Portland can know the exact marketing cost of each booked trip.

Demand for Web analytics has put pressure on less tech savvy creative agencies, said Adam Ware, partner at **SwellPath Interactive**. SwellPath specializes exclusively in analytics and search engine optimization, and often teams with traditional agencies to meet client needs.

"It can be difficult to navigate the reports that Web analytics tools provide," Ware said. "We can pull data out of these platforms to share with our customers, so we can show them what we are learning and what we think they should do."

The cost of analytics campaigns vary by complexity, but generally mirror the costs of more traditional campaigns.

Google makes a free tool available, Google Analytics, that companies can install in-house at not cost, although customizing it requires some expertise.



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Babcock & Jenkins President Denise Barnes uses Web analytics — and brownie tins — to recruit new business. Barnes says that a catchy tag line and a familiar brand name are no longer enough to win clients.

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More robust tools, such as those offered by Portland-based Webtrends, start at around \$10,000.

Lewis estimates that the most basic set up and installation is likely to cost \$2,000, not including ongoing maintenance, which is likely to start at a minimum of \$10,000 per year.

More complex campaigns that adapt to market changes and aim to generate direct sales will start between \$50,000 and \$100,000 and climb from there.

Managing complexity is often key to a successful analytics campaign. Portland-based **R2C Group**, for example, has hundreds of customized reports that it can provide to its clients, depending on business need.

To some degree, the concepts underpinning Web analytics are nothing new.

R2C Group has used direct marketing in TV, print and radio promotions for years, even without incorporating the Web, said Michelle Cardinal, president of the agency.

Direct marketers may use a different phone number for each TV station on which an ad is broadcast to see which yields the most calls, for example.

But the technology has upped the ante.

It is easy to track how marketing efforts affect phone or online sales of vacuum cleaners, for example, but R2C's clients can now integrate sales and marketing data with their inventory systems to track how a broadcast ad affects retail sales in real time, Cardinal said.

Those quick responses can lead to quick adjustments to campaigns.

Babcock & Jenkins, meanwhile, specializes in the world of marketing automation, an emerging niche.

The agency focuses on business to business work, promoting high-end, high-cost technology products that corporations buy only every few years. Many of its campaigns target a small number of decision-makers and aim to efficiently nudge them toward a client's product.

Babcock & Jenkins' brownie campaign illustrates the approach. An intriguing piece of mail draws potential clients to the Web site for a first visit. Because each visitor receives a unique Web address, Babcock & Jenkins instantly knows exactly who has responded.

Based on how long a visitor looks at the site, and where the visitor clicks, the agency can build on past information to gauge the likeliness that a visitor will ultimately become a client, and respond accordingly.

Automated rules determine which visitors may get a follow-up mailer to promote additional interest, who should be e-mailed with more information, and who is a good prospect for a sales call.

It's enough to make a marketing effort seem more like a sales pitch, Barnes acknowledged.

"The days of sales and marketing not working together are a thing of the past," she said. "This is all about driving sales."

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