

# Measure Your Way to Success

May 2014

# About me



Thue Madsen

Marketing Operation Manager

**KISSmetrics**

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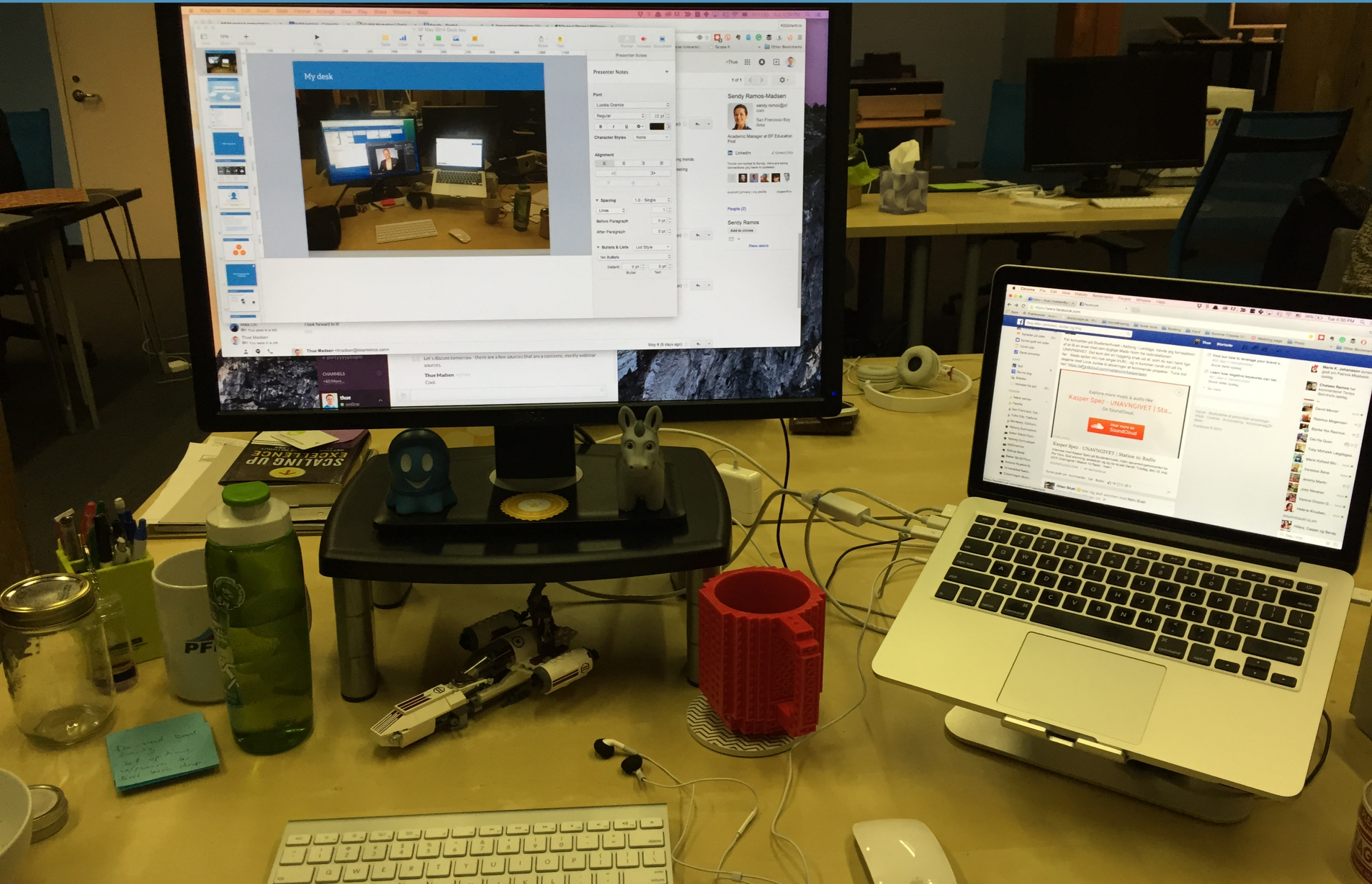
[@thuemadsen](#)

[@kissmetrics](#)

- Grew up in Denmark, lived in Venezuela, Costa Rica and the USA.
- Graduated from Copenhagen Business School with a Masters in Intercultural Market Studies and International Business Communication in English.
- Drove for Lyft
- Work at KISSmetrics as a Marketing Associate - I wear many hats but mainly do:
  - Webinars
  - Landing Pages
  - Email Marketing
  - Social Media Marketing
  - Ad hoc Design



# Where I work





Join me on Twitter



@thuelmadsen



# We will talk about...

## 1 Why Analytics?

- The evolution of marketing
- The Idea of Lean Business

## 2 What Should We Track?

- Not Vanity Metrics
- Channels
- The Funnel
- People and Behavior

## 3 How Do We Track?

- KISSmetrics

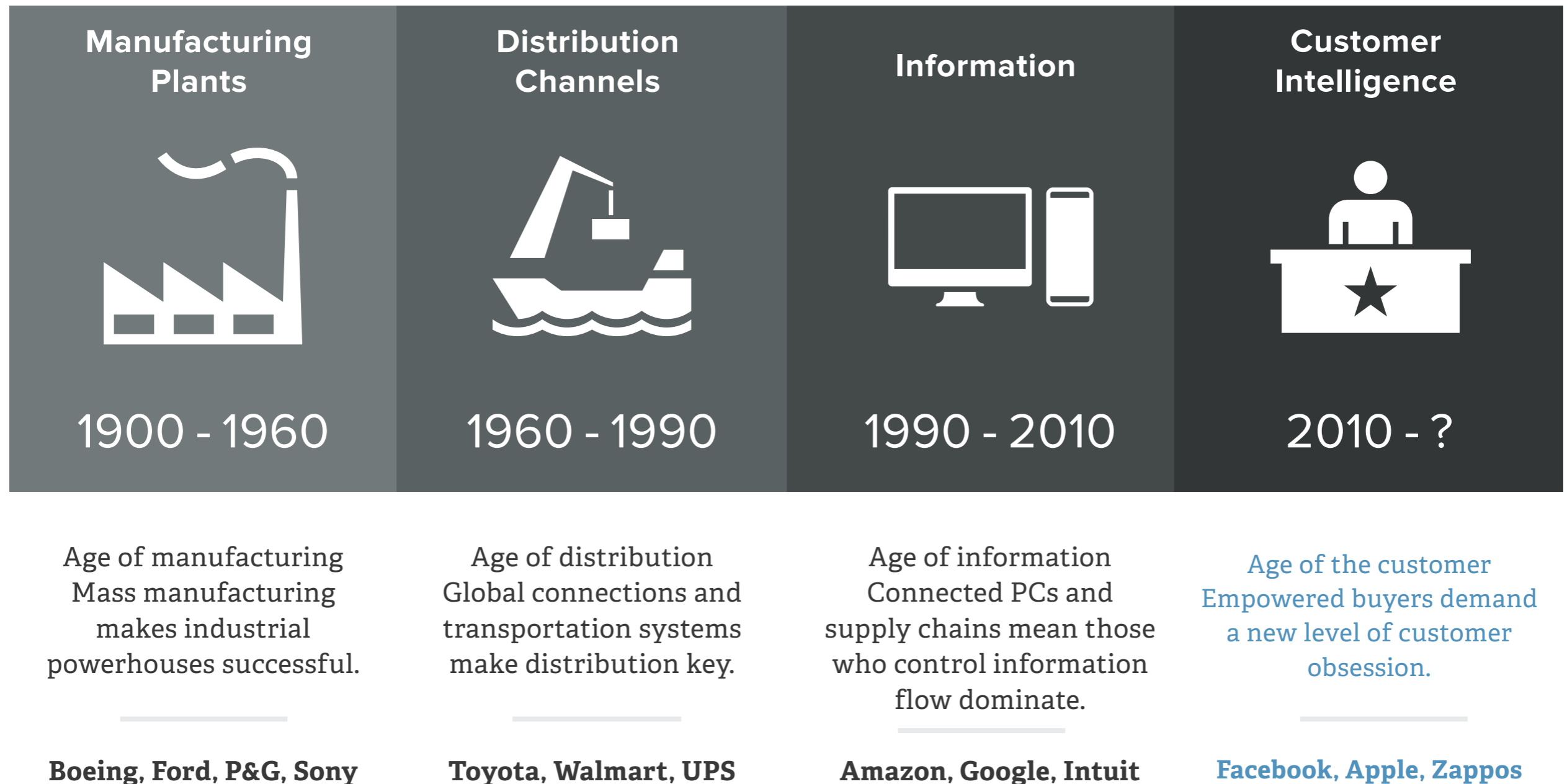
## 4 Execution, Execution, Execution!!

# Why Analytics?



# The History of Marketing

User analytics enables businesses to effectively reach the **right customer** with the **right message** at the **right time**



# Welcome to our world of Customer Analytics



*Every person. Every button click. Every purchase.  
Every device. From transaction #1 to #543.*

**All tracked so the modern marketer knows exactly what's  
working, and what's not.**



# Problem

## Customer data is everywhere

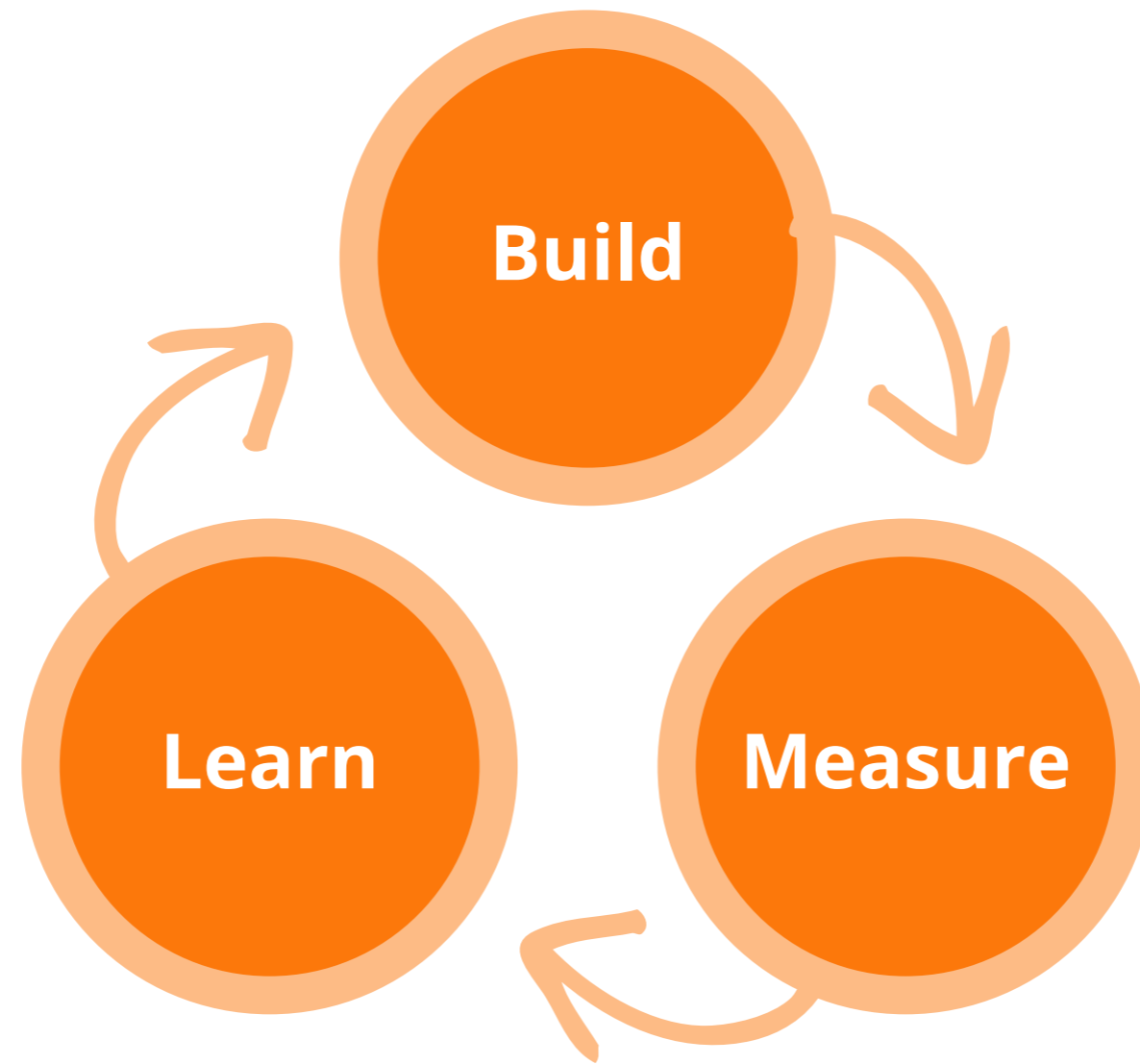
- Growth of mobile and social platforms is fueling the increase in customer data.
- New marketing channels create more customer touch points.
- Fragmentation of customer data is increasing because of SaaS.
- Big data has created demand for increased actionability.
- Managing the customer lifecycle is more important than ever.

*“The ability to take data -- to be able to understand it, to process it, to extract value from it, to visualize it, to communicate it -- that's going to be a hugely important skill in the next decades.”*

*— Hal Varian, Chief Economist at Google*



# The Lean Startup



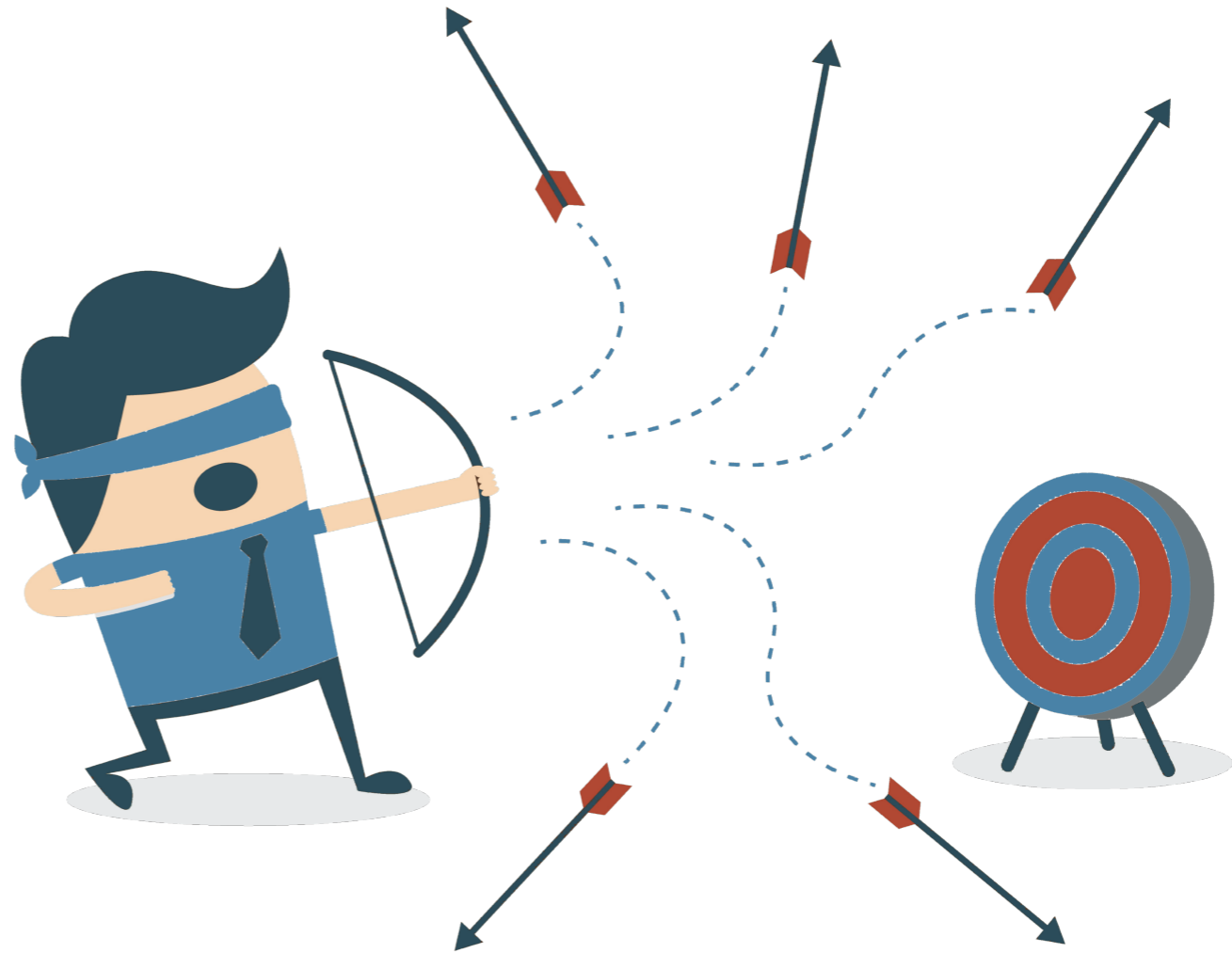


# What Should We Be Tracking?

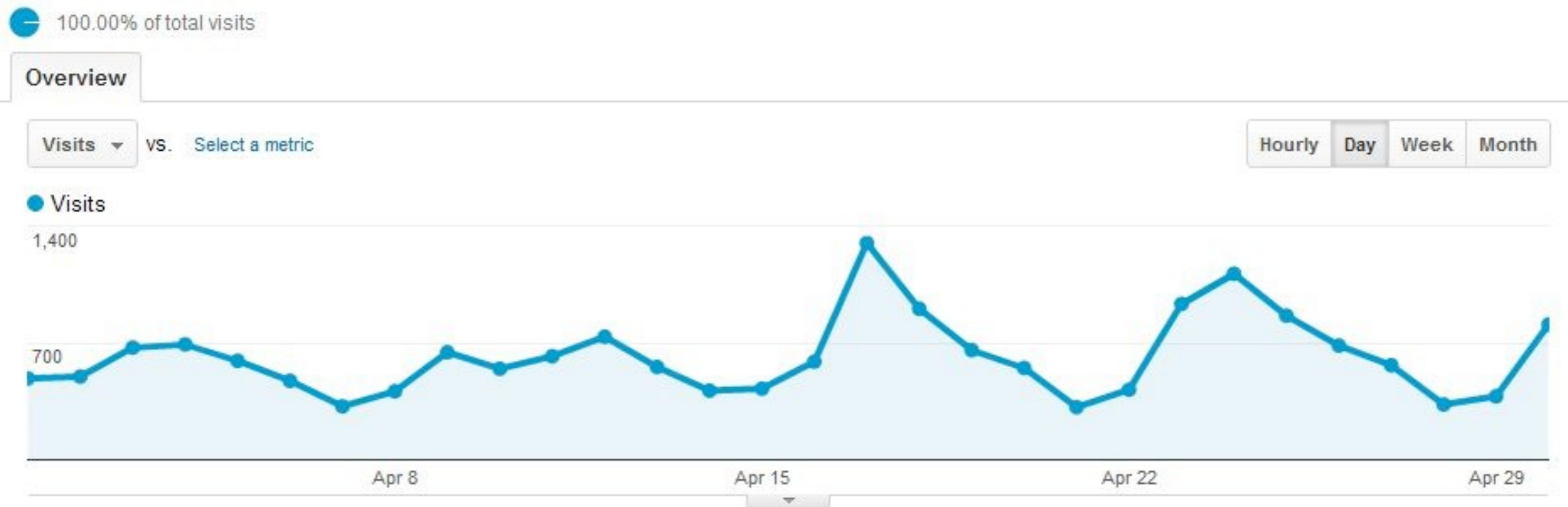
# Vanity Metrics

## What are vanity metrics?

- Page views
- No. of visitors
- Bounce rates



# Vanity Metrics



12,467 people visited this site

- Visits: 18,499
- Unique Visitors: 12,467
- Pageviews: 57,063
- Pages/Visit: 3.08
- Avg. Visit Duration: 00:02:47
- Bounce Rate: 55.57%
- % New Visits: 55.12%



- 55.16% New Visitor  
10,204 Visits
- 44.84% Returning Visitor  
8,295 Visits



# Tracking Vanity Metrics



Don't track what's easy, Track what matters!

# Where do we focus?



We track the things that will improve our business

What most important to us?

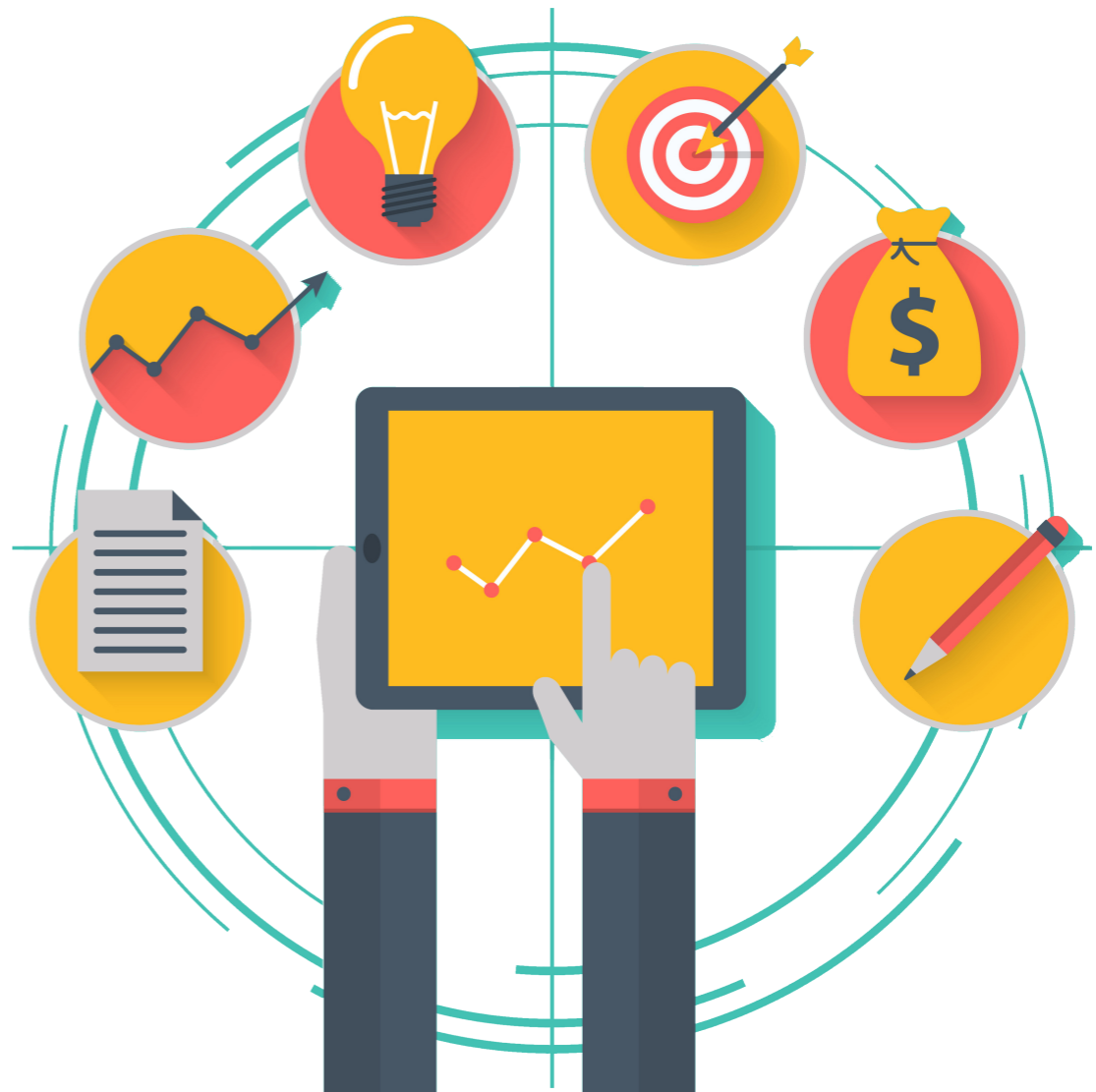
What most important to us?

Our customers!



# Channels

- Where do people come from?
- What marketing channel provide the largest ROI?
- Optimize campaigns





# The Funnel

- What does your funnel look like?
- How do people go through your funnel?
- Conversion rates
- Bottle necks



# People and Behavior

- Who are your best/ideal customer?
- How is you worst customer?
- How are people using your products?
- What works/doesn't work?



# How Do We Track?

# Let's take a look at analytics

 **KISSmetrics**

**Google** Analytics

**mixpanel**

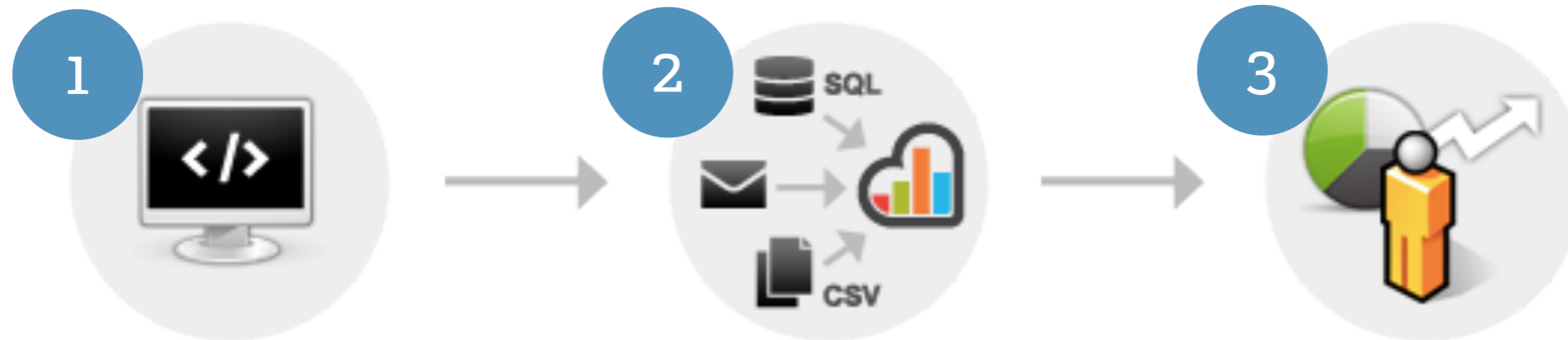
**wopra™**

Let's take a look at analytics





# How it works (it's simple and powerful)



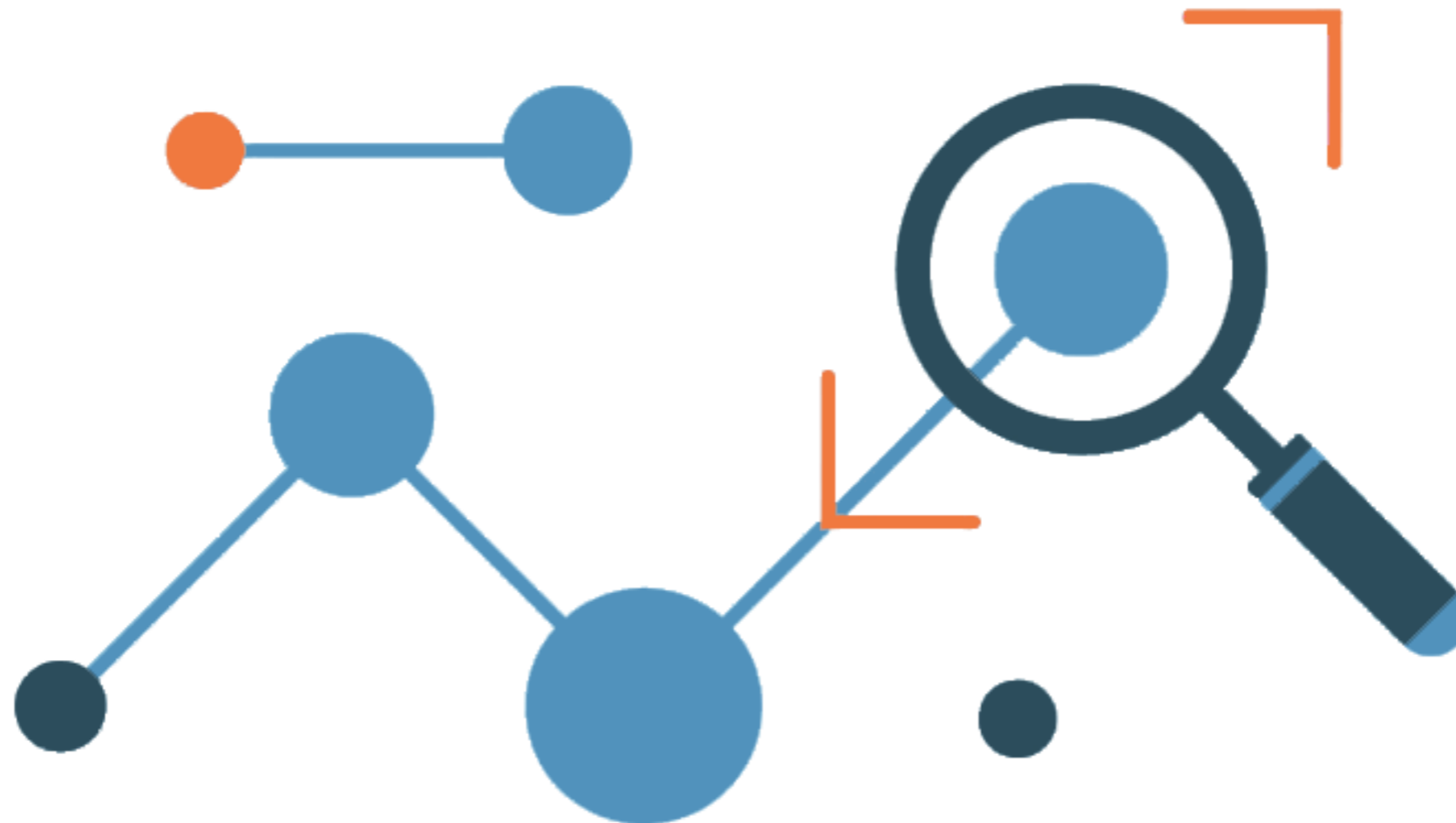
1  
Copy & paste  
KISSmetrics' tracking  
code to track website  
visitors.

2  
Combine this activity data  
with other data sources  
such as billing systems,  
internal databases, offline  
data, email lists, mobile  
apps, and more.

3  
KISSmetrics connects the  
dots and creates 360°  
profiles for every person  
who has ever touched  
your business.

# 3 Types of Data in KISSmetrics

- Customer ID
- Events
- Properties
  - Values



# Example: Joe signs up for a startup plan

- Customer ID = joe@smith.com
- Events = Signup
- Property = Subscription plan and the value is startup plan



# Demo Time

**KISSmetrics** Fuelzee Metrics Need help? Thue Madsen

**Updating your metrics now...**  
Percentage complete: (50%)

Show: Yesterday · Last 7 days · This week · Last week · This month · Last month      Filter: ● ● ● ● ● ● ● ●

<b>97</b> Last 7 Days Visited Site	<b>66</b> Last 7 Days Signed Up	<b>5.79%</b> Last 7 Days Used App > Viewed Station	<b>6.02</b> Last 7 Days Avg opens per person
<b>18,008</b> Last 7 Days Number of times app was used	<b>2,922</b> Last 7 Days People - Who have opened application	<b>9,308</b> Last 7 Days Searched for station	<b>472</b> Last 7 Days Number of Stations Viewed
<b>855</b> Last 7 Days Reported Gas Prices	<b>505</b> Last 7 Days Checked In	<b>26</b> Last 7 Days Ad Clicks	<b>0 secs</b> Last 7 Days Avg. time between app opens
<b>1.79%</b> Last 7 Days Used App > Reported Prices - Conversion	<b>26</b> Last 7 Days Accessed Rewards	<b>8</b> Last 7 Days Rewards Redeemed	<b>+</b> Add new metric

**Fuelzee Site Stats:**  
Fuelzee was added Feb 13, 2014

**326,266** events total  
See the [breakdown of the total](#).

**92,441** events this month

**216,403** average events per month

We last processed this site's data about **2 hours** ago.

**Want to get the most out of your metrics?**  
Follow our friendly guides & best practices on our Support site.

[View Metrics Support](#)

[Add new metric](#)

[View and create events](#)

[Reorder metrics](#)

# Action and Accountability

- Make it actionable
- Make it measurable
- Make someone accountable
- and always KISS :)





# Resources:

Live, learn and succeed

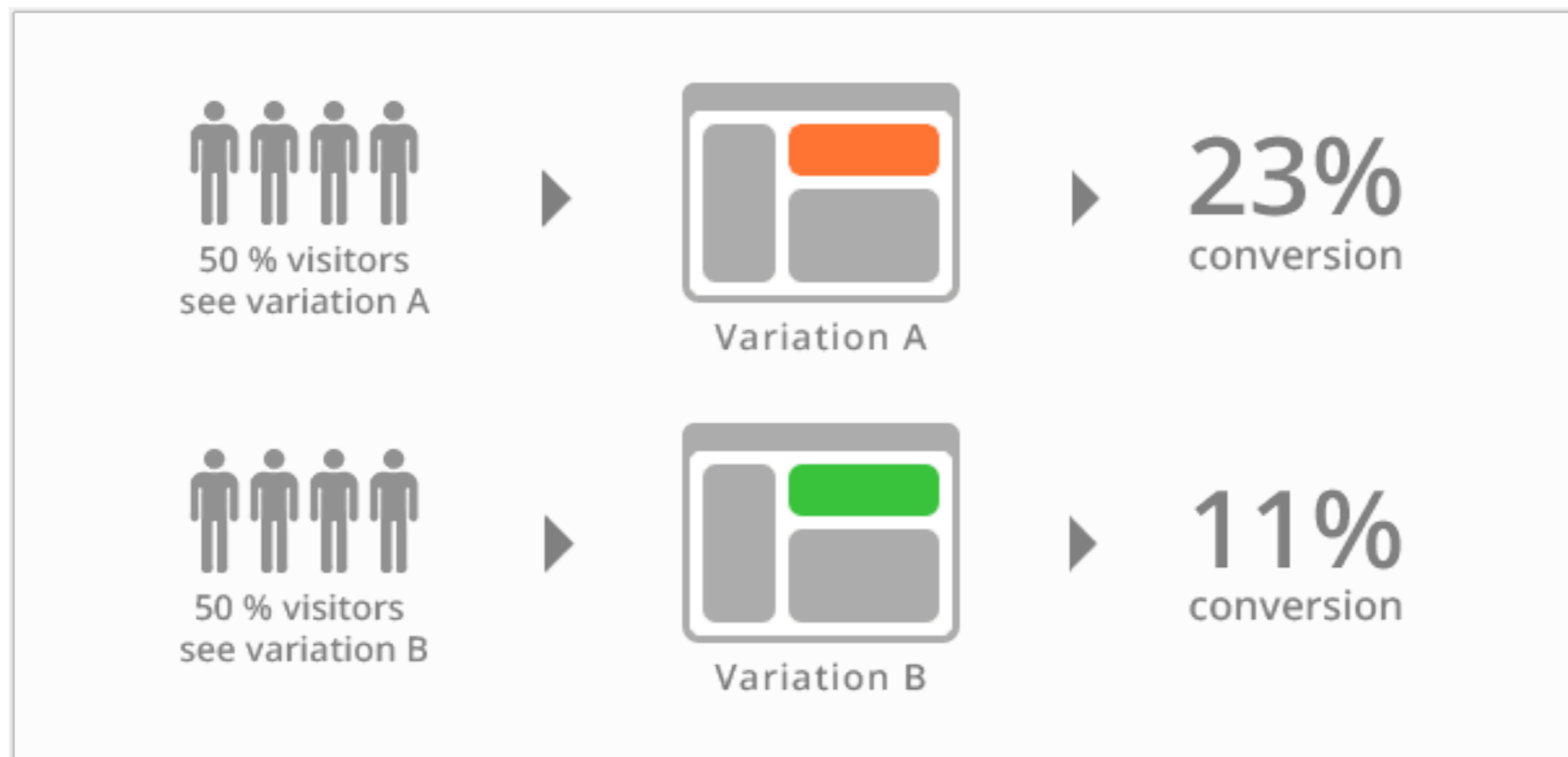
- <http://blog.hubspot.com/>
- <http://moz.com/blog>
- <http://blog.kissmetrics.com/>
- <http://inbound.org/>
- <http://blog.kissmetrics.com/marketing-guides/>
- <http://blog.kissmetrics.com/webinars/>
  
- Google, Google, Google!!



# A/B Testing

# What is A/B testing?

- Experiments
- Comparison of more or more different variations
  - Testing based on statistics
  - Learn more about the math behind A/B testing



# What is A/B testing?

- Use a tool
- Build it yourself

**Optimizely**

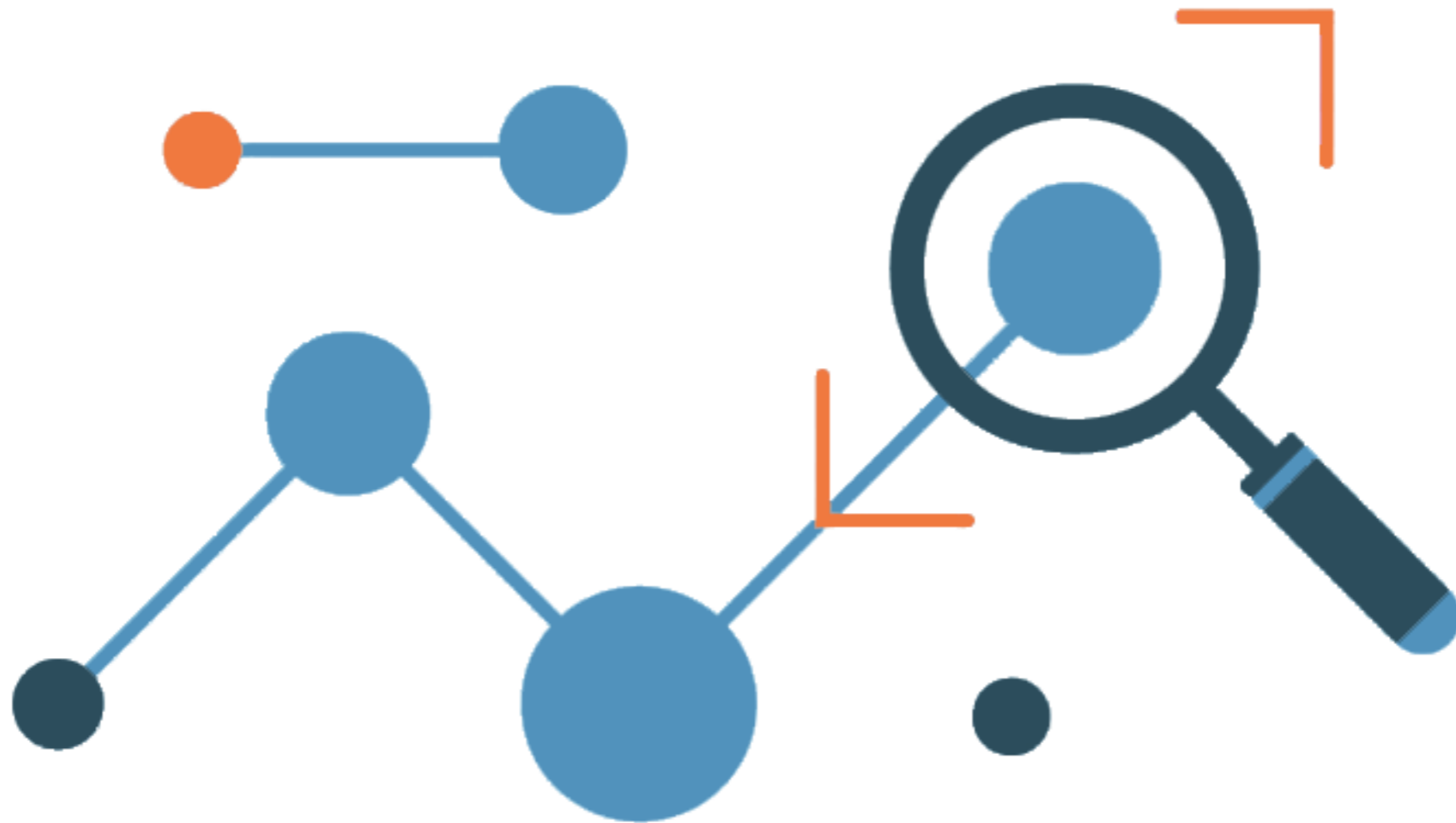


**Visual Website  
Optimizer**

# Why do we A/B test?

# Why do we A/B test?

To Learn and to Optimize



# So where do we start?





# Let's talk about what not to do...



Don't test what's easy, test what matters!

# Button color, words, etc.

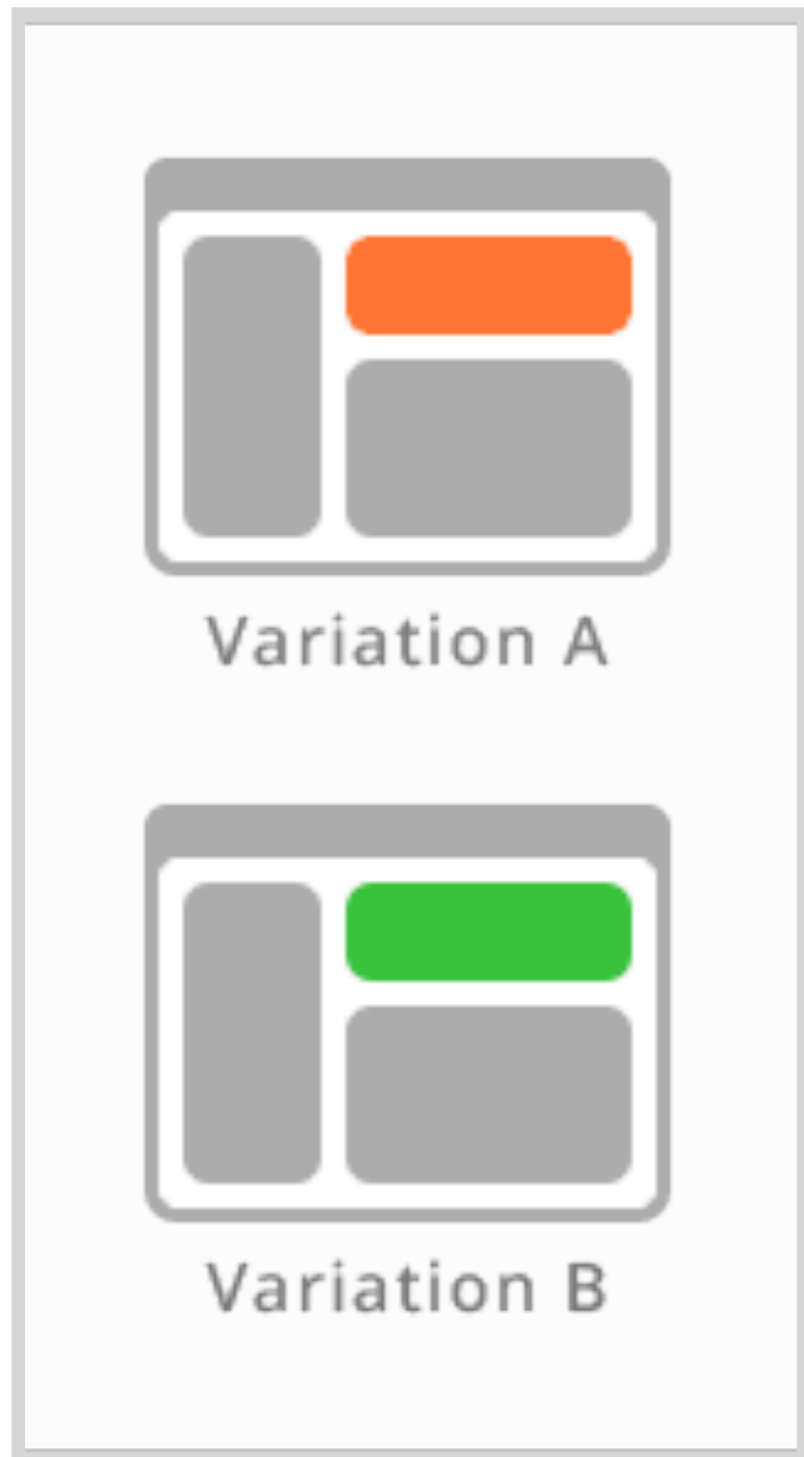


Variation A



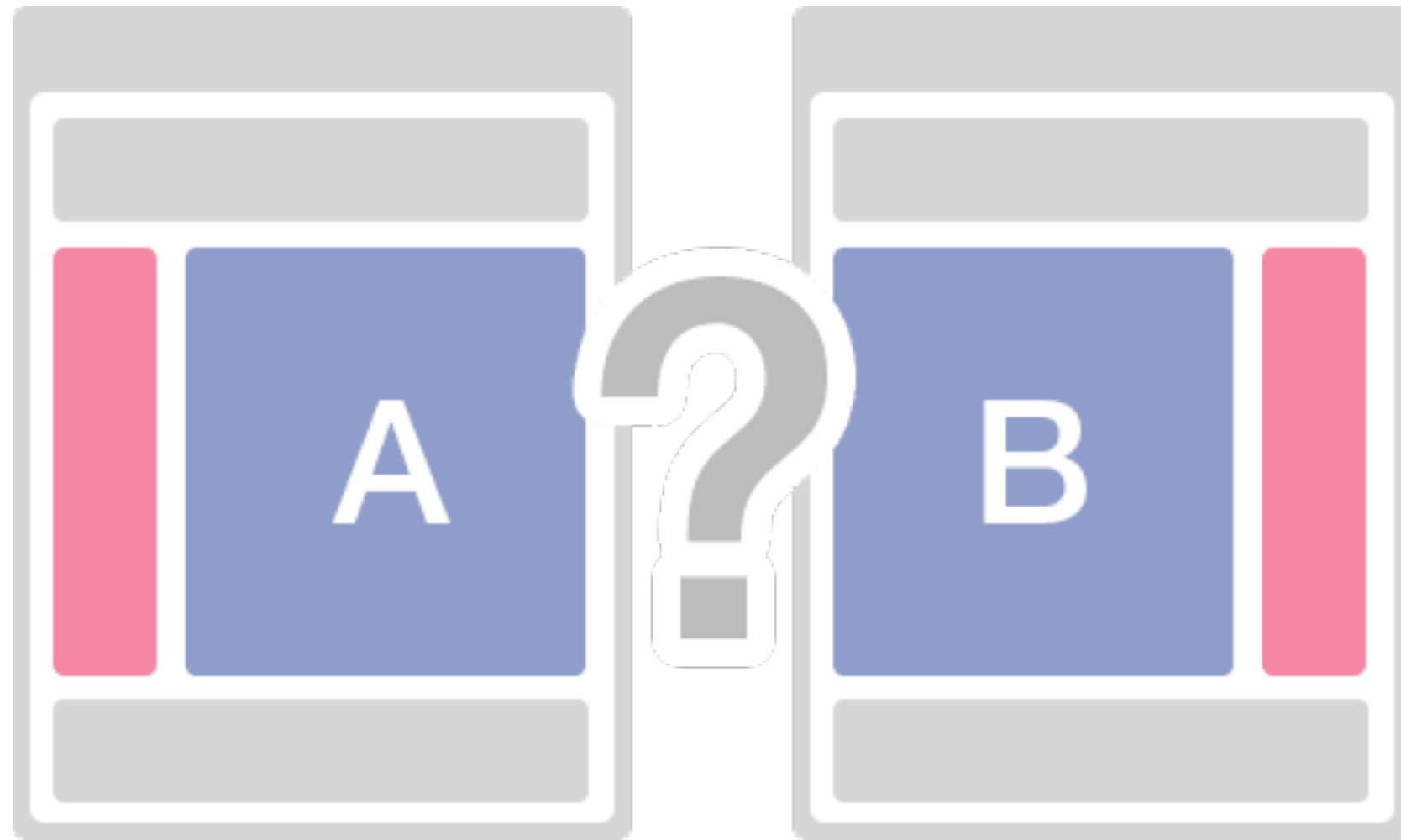
Variation B

# Button color, words, etc.

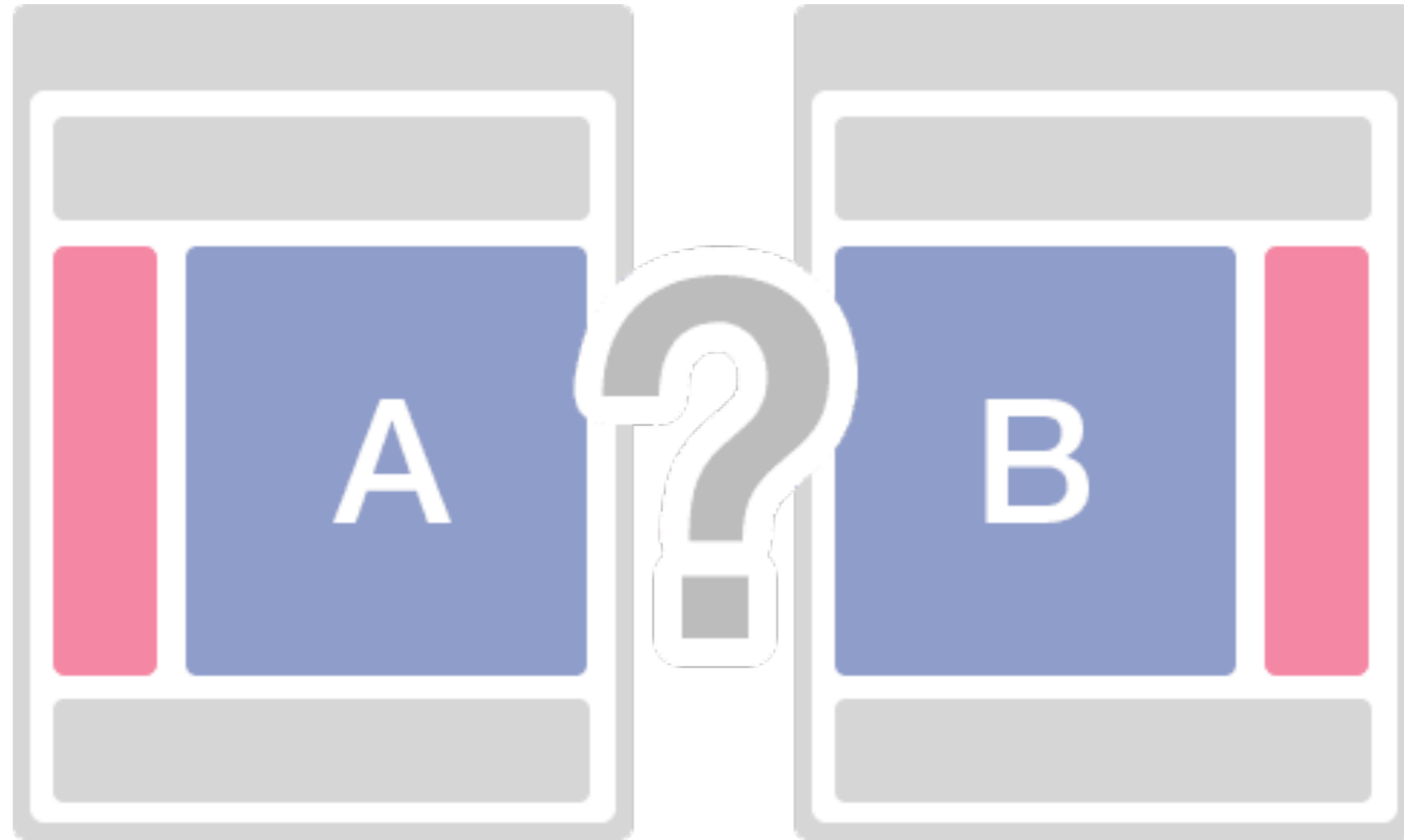


- Small test take a long time to become significant
- Small Test yield small results
- Small test have a high opportunity cost

# Layout



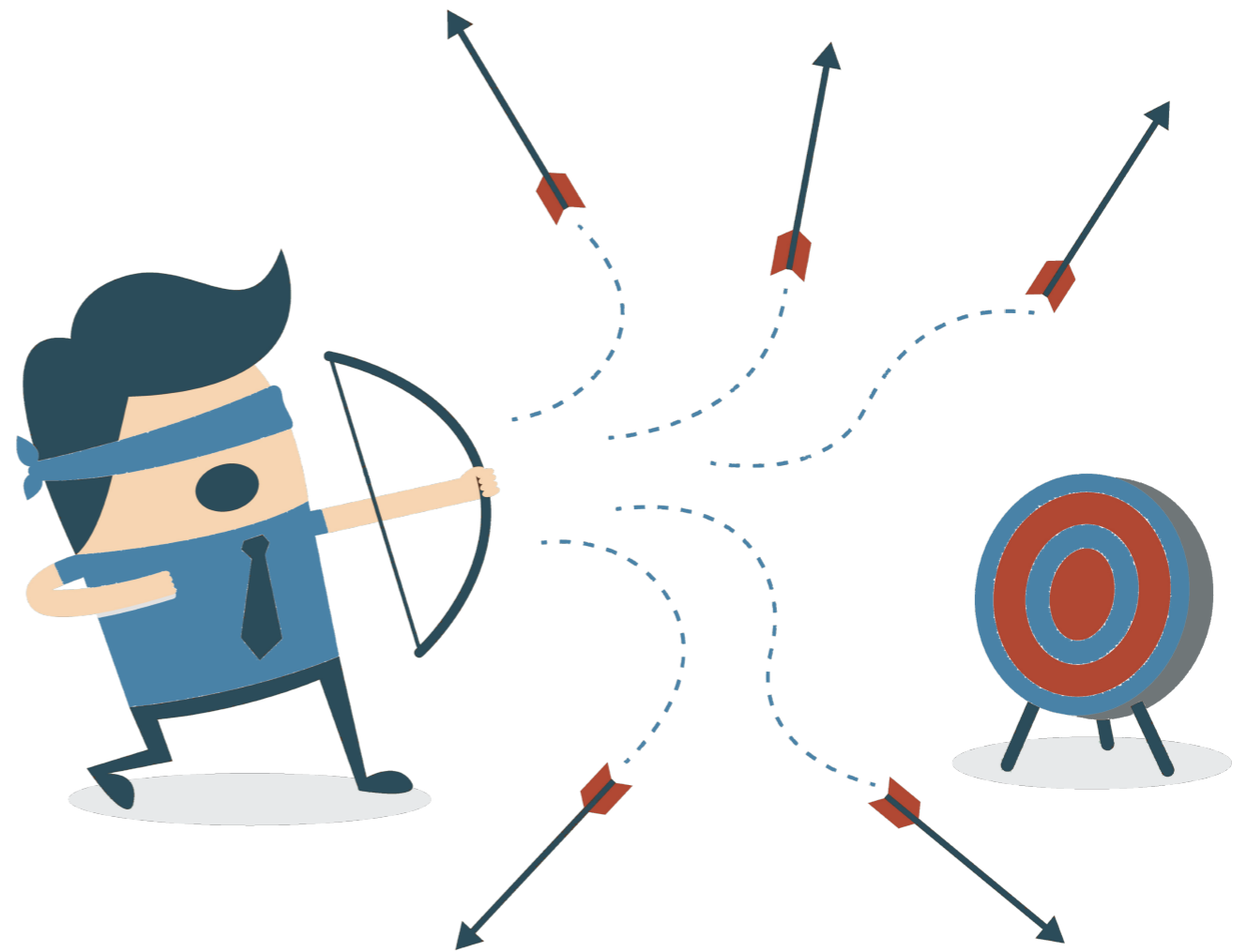
# Layout



- Simple test take a long time to become significant
- Simple Test yield small results
- Simple test have a high opportunity cost

# Testing framework

How can we make sure to test that which matters the most?



# Testing framework

How can we make sure to test that which matters the most?

- Don't test blindfolded
- Do your research
- Priorities your tests
- Learn from your tests





# The KISSmetrics framework

- Find out what metric you want to increase
- Collect customer research and data
- Form a hypothesis
- Create a wireframe/mockup and description of the test
- Prioritize the test
  - How many resources will it take and what's the potential impact
- Test and document

# Found a big winner?

Time to fine-tune, but only if you have the resources



# Make sure you are always testing



# KISSmetrics Tests

So how did we raise our  
homepage conversion rate  
from 2.85% to 8.71%?

# How our homepage evolved, Nov 2013 to Aug 2014

**KISSmetrics** FEATURES CUSTOMERS PRICING HELP - Sign In

Google Analytics tells you what happened,  
KISSmetrics tells you who did it.

KISSmetrics fills this gap by showing you every action each individual did. Finally, you'll know who your most valuable customers are and how to get more of them.

Your Product > Funnel Report

Customer Acquisition Funnel Last 30 days: Jun 28, 2013 - Jul 27, 2013

896 people	448 people	378	68
Funnel Overview	Visited Marketing Site	Signed Up	Billed

42.1% 18% 2.6%

Start your 14-day free trial

Your name

Your email

Your password

**SIGN UP, IT'S FREE.**

Plans start at \$150 per month. No credit card required.

Questions? Sales?  
1-888-767-5477

**Ready to learn more about your customers?**  
Sign up for your 14-day free trial to discover who your customers are and what they're doing.

**GET YOUR FREE TRIAL**

Careers We're hiring! Brand Blog Documentation Contact Us Sign In

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**KISSmetrics** Sign In

Google Analytics tells you what's happening.  
KISSmetrics tells you who's doing it.

Your Website URL Log In with Google

Want a three minute overview of KISSmetrics? Click here.

Features Customers Pricing Blog Documentation Contact Us

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# Our conversion rate for Nov 2013

🕒 Over Time Comparison for Nov 1 to Nov 30 vs Oct 2 to Oct 31

**1.68%**

DAILY MINIMUM

**3.59%**

DAILY MAXIMUM

**2.41%**

DAILY AVERAGE

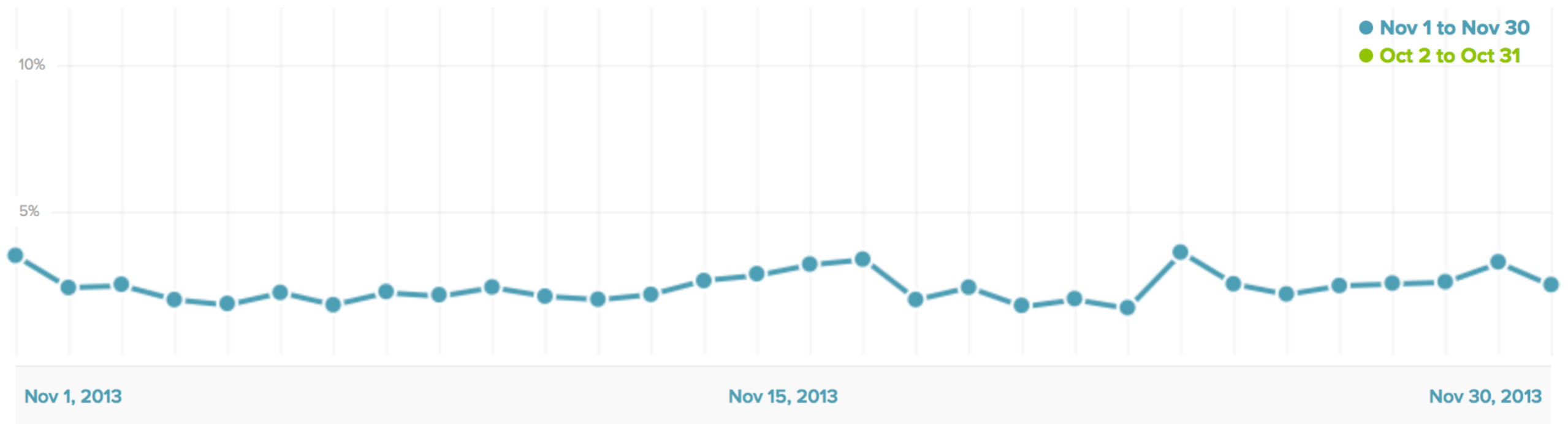
**0%**

PREVIOUS DAILY AVERAGE



COMPARED TO PREVIOUS PERIOD

Lars - Homepage Conversion Rate for Nov 1 to Nov 30 was  
**2.85%**



# Our conversion rate in July and Aug 2014

🕒 Over Time Comparison for Jul 20 to Aug 18 vs Jun 20 to Jul 19

**5.25%**

DAILY MINIMUM

**8.60%**

DAILY MAXIMUM

**7.13%**

DAILY AVERAGE

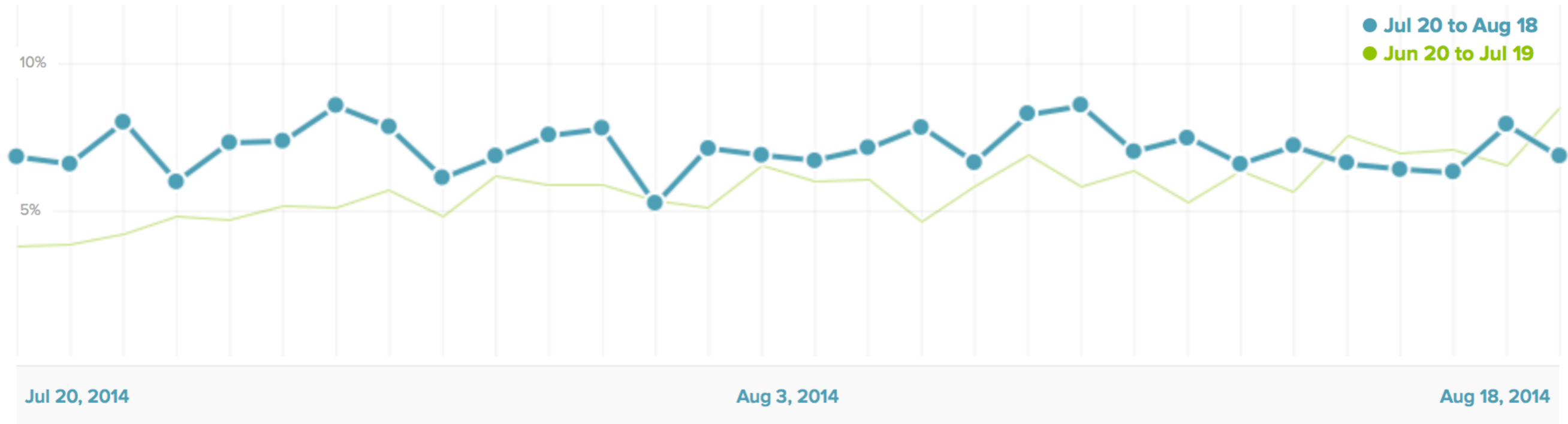
**5.76%**

PREVIOUS DAILY AVERAGE

⬆️ **23.8%**

COMPARED TO PREVIOUS

Lars - Homepage Conversion Rate for Jul 20 to Aug 18 was  
**8.71%**





This change didn't happen  
all at once.

It took consistent,  
relentless, back-to-back  
A/B testing.

# The 13 homepage tests we've done since Nov 2013

## ▼ A/B Tests

### › A/B Testing Process

### › Features Page A/B Tests

### › Global Marketing Site A/B Tests

## ▼ Home Page A/B Tests

- Home Page Test - Chuck and Olive Image
- Home Page Test CTA Copy
- Home Page Test CTA Copy - Log In vs Sign In
- Home Page Test Do You Use GA?
- Home Page Test GA Branding
- Home Page Test GA Login
- Home Page Test - Headline Copy
- Home Page Test - Headline Do Smarter Marketing
- Home Page Test - Secondary CTA to Features
- Home Page Test Sidebar
- Home Page Test Slideshow
- Home Page Test - Subhead Be the Smartest Marketer
- Home Page Test - URL Field

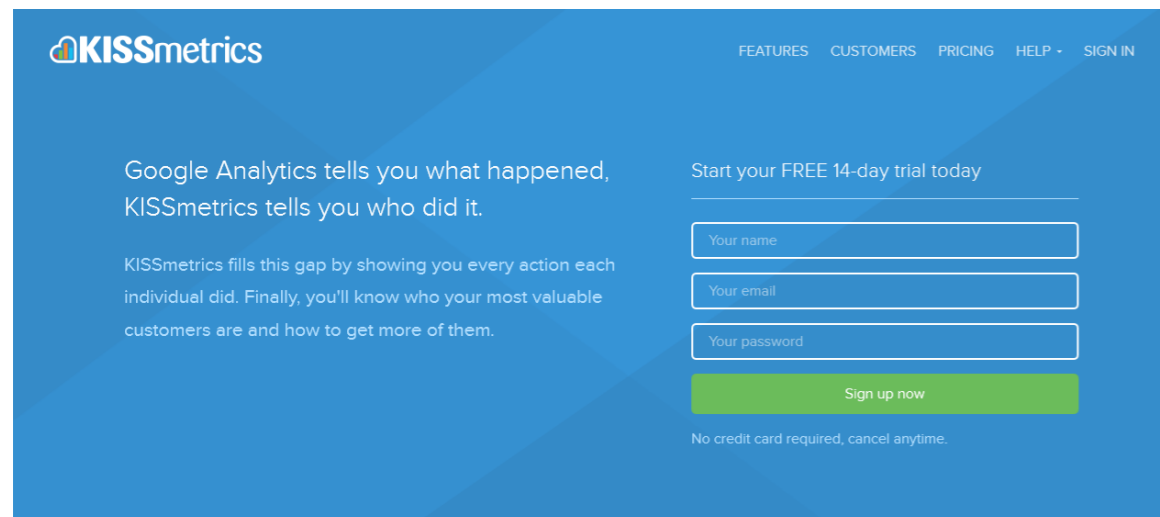
### › NUX A/B Tests

### › Signup Page A/B Tests

### › Webinar Landing Pages

Let's look at the big  
winners.

# Minimalist homepage with Google authentication



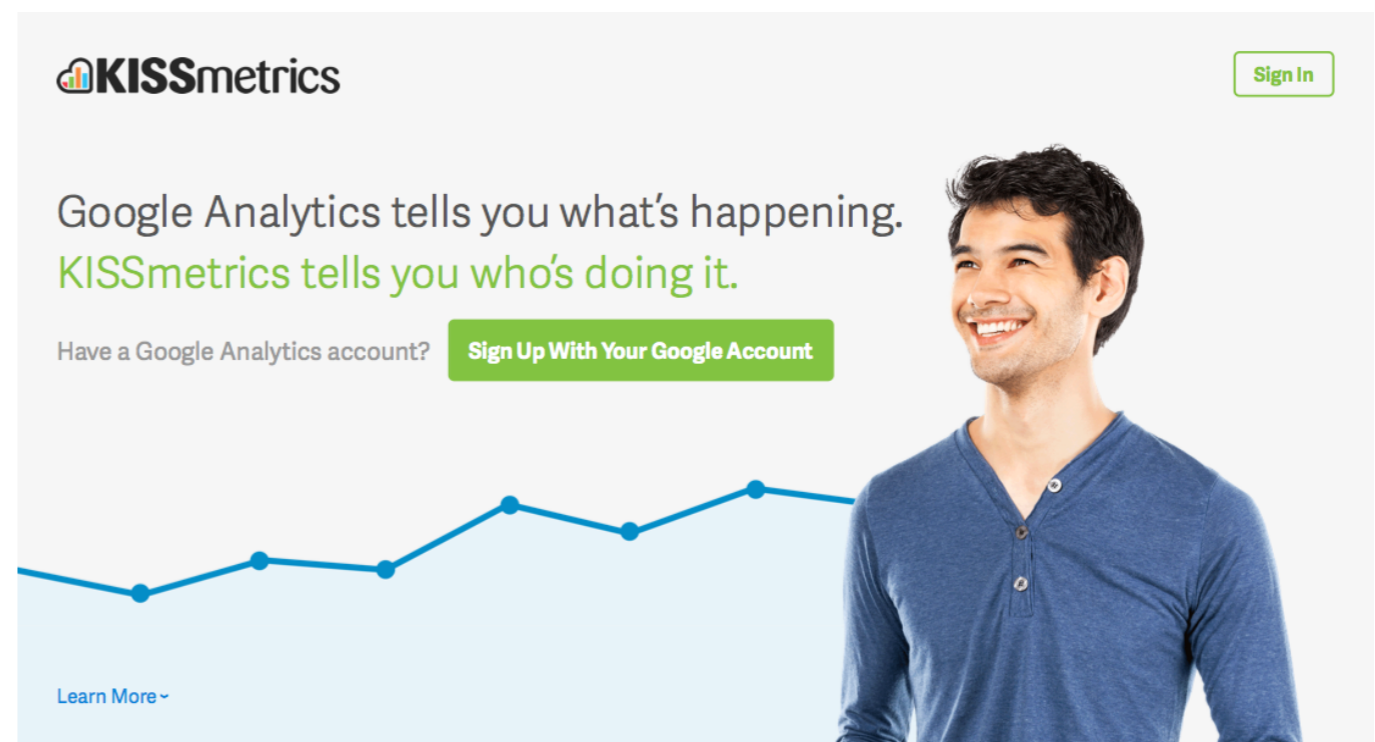
**Ready to learn more about your customers?**  
Sign up for your **14-day free trial** to discover who your customers are and what they're doing.

Get Your Free Trial

Careers **We're hiring!** Brand Blog Documentation Contact Us Sign In

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## Control



Features Customers Pricing Blog Documentation Contact Us

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## Variation

# Minimalist homepage with Google authentication results

**KISSmetrics Reports** Need help? Lars Lofgren

## New Report Edit Name

Report Configuration

[Run Report](#) [Save Report](#)

Select a baseline for your experiment: Original

**Variant-OAuth** is the winning variation determined after 7 days. We recommend you start using this variation.

<b>3 months</b> <small>TEST DURATION</small>	<b>10,339</b> <small>TOTAL PEOPLE IN EXPERIMENT</small>	<b>425</b> <small>TOTAL CONVERSIONS IN EXPERIMENT</small>	<b>42.94%</b> <small>IMPROVEMENT</small>	<b>99.99%</b> <small>CERTAINTY OF IMPROVEMENT</small>
---	--	--	---	--

This experiment ran for approximately **3 months**, which meets the minimum recommended time of 7 days.

● Original


Variant-OAuth

Experiment variations	People	Conversions	Average conversion	Improvement	Certainty
Original	5,171	175	3.38%	-	-
<b>Variant-OAuth</b>	<b>5,168</b>	<b>250</b>	<b>4.84%</b>	<b>42.94%</b>	<b>99.99%</b>

How can we make this page better for you?

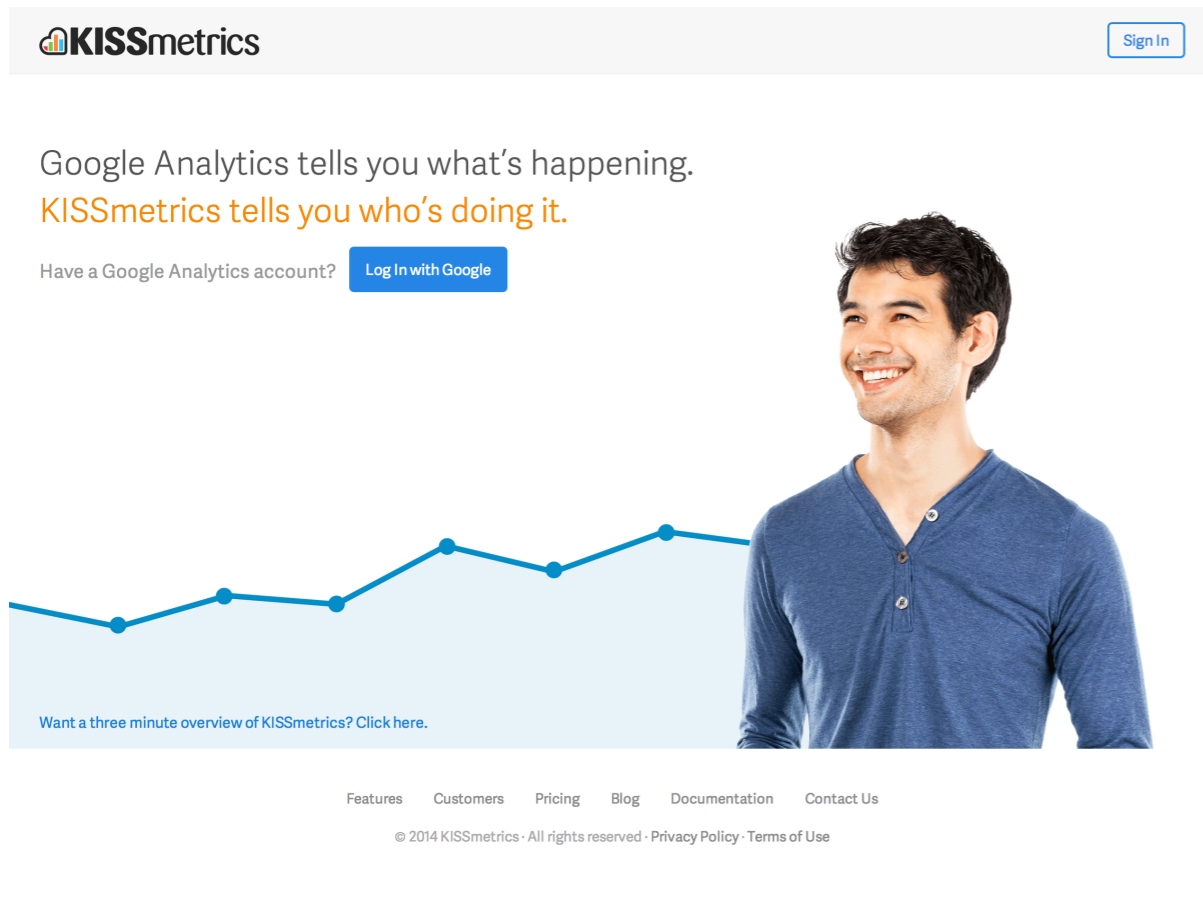
[Documentation](#) - [Site Status](#) - [Blog](#) - [Terms](#) - [Privacy](#)

# Minimalist homepage with Google authentication results

Experiment variations	People	Conversions	Average conversion	Improvement	Certainty <span>i</span>
Original	<u>5,171</u>	<u>175</u>	3.38%	–	–
 Variant-OAuth	<u>5,168</u>	<u>250</u>	4.84%	42.94%	99.99%

A 42.94% winner at 99.99% certainty.

# Adding a URL field



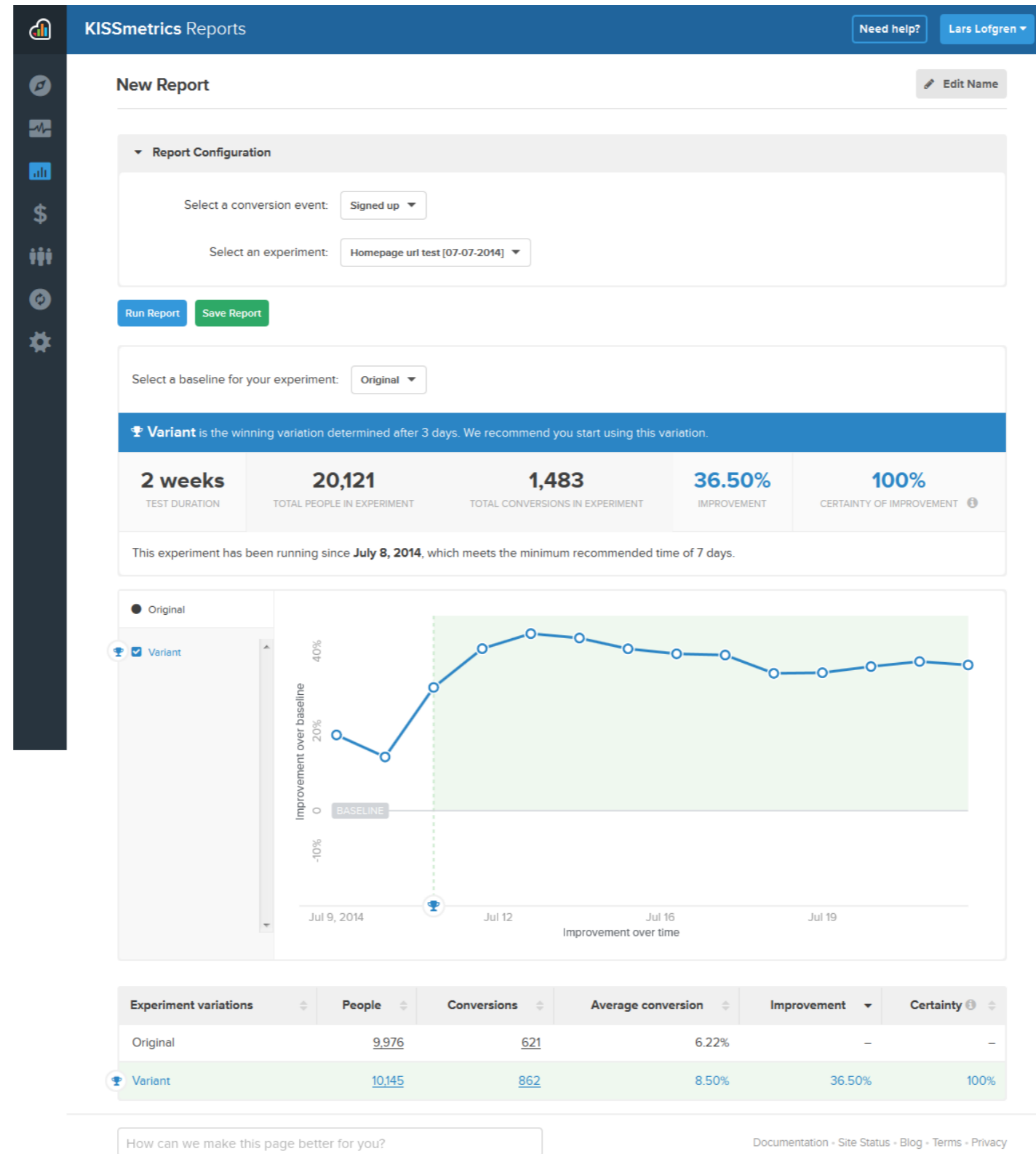
Control



Variation



# URL field results



# URL field results

Experiment variations	People	Conversions	Average conversion	Improvement	Certainty
Original	<u>9,976</u>	<u>621</u>	6.22%	–	–
 Variant	<u>10,145</u>	<u>862</u>	8.50%	36.50%	100%

A 36.50% winner at 100% certainty.

# The KISSmetrics A/B Testing Workflow

- 1 Build your test in Optimizely
- 2 Tell Optimizely to use KISSmetrics
- 3 Let your test run for 1-2 weeks
- 4 Use the KISSmetrics A/B Test Report
- 5 Launch the variant if you hit 99% certainty
- 6 More tests = higher conversions

# 1. Build your test in Optimizely

**Optimizely** Implementation Dashboard Experiments Support marketing@kissmetrics.com

## Homepage Secondary CTA to Features

Start Experiment

Experiment Variations: Original, Variation #1, + Add Variation

Editing Mode Interactive Mode Options

We have loaded your site using compatibility mode — you can still edit your page, but some site functionality might be missing. [Learn More.](#)

**KISSmetrics** Sign In

Google Analytics tells you what's happening.  
KISSmetrics tells you who's doing it.

Your Website URL

- Division <div>
- Edit Element...
- Insert...
- Move and Resize
- Rearrange
- Remove
- Custom Javascript
- Select Container...

Want a three minute overview of KISSmetrics? [Click here.](#)

< edit code >

## 2. Tell Optimizely to use KISSmetrics for tracking

**Analytics Integration**

Google Analytics Integration

Universal Analytics snippet: *analytics.js*  OFF

Classic Analytics snippet: *ga.js* or *dc.js*  OFF

KISSmetrics Integration **Flip the switch!**  ON

Track your Optimizely experiments using [KISSmetrics](#).  
[Learn more.](#)

**KISSmetrics Integration is a *project-level attribute*, and applies to all experiments in the same project. This change will take effect as soon as you click "Apply" on this dialog.**



3. Let your test run for 1-2 weeks, get to 2000 people



## 4. Use the KISSmetrics A/B Test Report

### New Report

 Edit Name

#### ▼ Report Configuration

Select a conversion event:

Signed up ▼

**The event you want to optimize for**

Select an experiment:

Oauth home page test 01-08-2014 ▼

**The KISSmetrics property used to track the test**

Run Report

Save Report

This takes 30 seconds and I completely trust the data

# 5. Launch the variant if you hit 99% certainty

🏆 **Variant** is the winning variation determined after 3 days. We recommend you start using this variation.

**2 weeks**

TEST DURATION

**20,121**

TOTAL PEOPLE IN EXPERIMENT

**1,483**

TOTAL CONVERSIONS IN EXPERIMENT

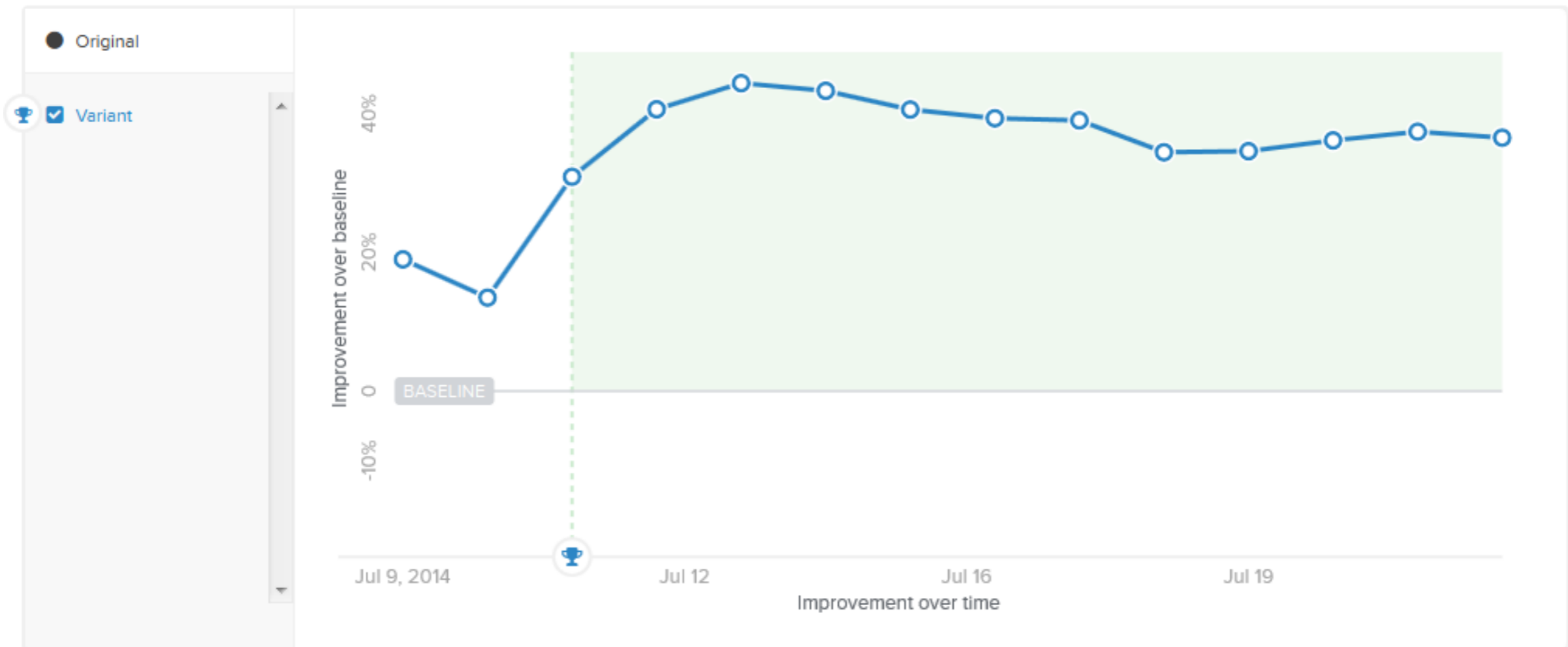
**36.50%**

IMPROVEMENT

**100%**

CERTAINTY OF IMPROVEMENT ⓘ

This experiment has been running since **July 8, 2014**, which meets the minimum recommended time of 7 days.





# Why not just use the Optimizely reports?

- 1 Based on visitors, not people
- 2 We run A/B tests with multiple tools
- 3 Can slice and dice into all other data

## 6. More tests = higher conversions



# The A/B Test Report works great for multivariate tests

🏆 **Variant-a** is the winning variation determined after 2 weeks. We recommend you start using this variation.

**1 month**

TEST DURATION

**12,937**

TOTAL PEOPLE IN EXPERIMENT

**439**

TOTAL CONVERSIONS IN EXPERIMENT

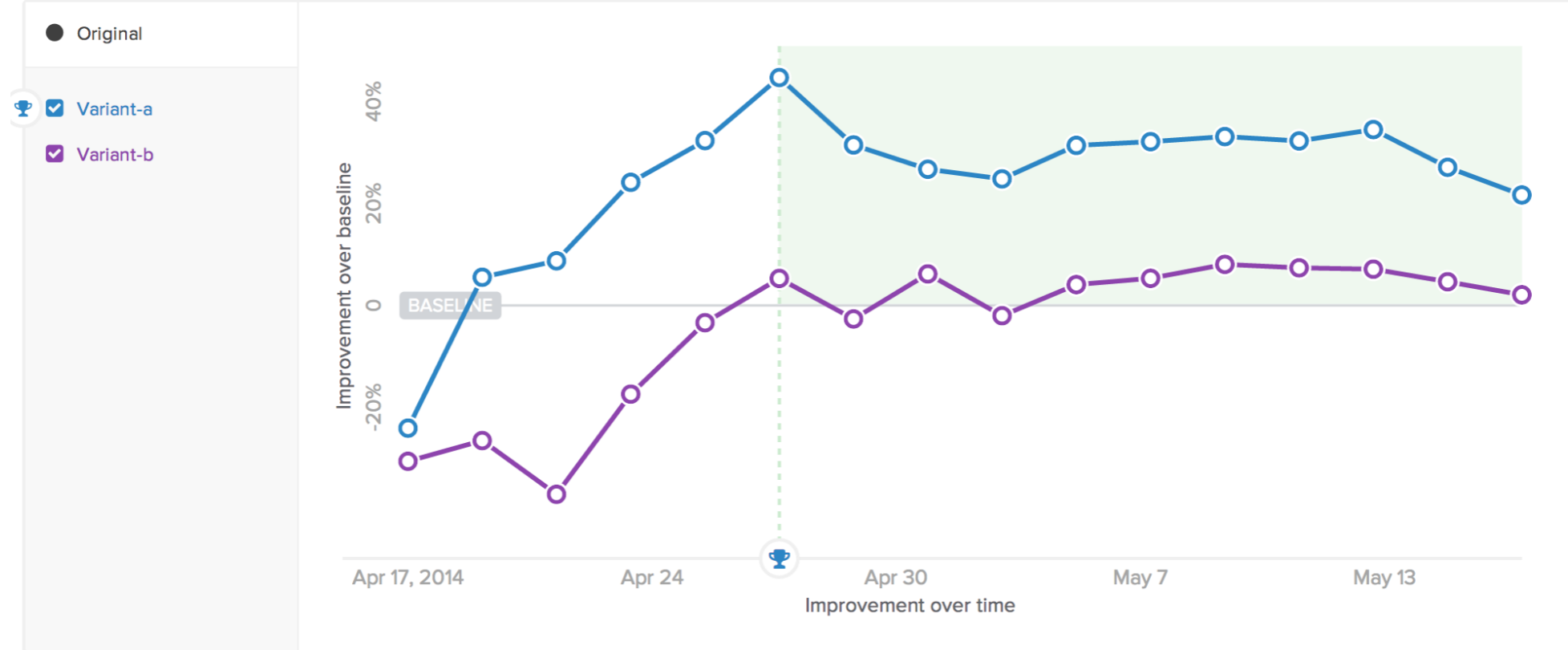
**21.70%**

IMPROVEMENT

**95.87%**

CERTAINTY OF IMPROVEMENT ⓘ

This experiment has been running since **April 15, 2014**, which meets the minimum recommended time of 7 days.



Experiment variations	People	Conversions	Average conversion	Improvement	Certainty ⓘ
Original	4,417	139	3.15%	-	-
🏆 Variant-a	4,256	163	3.83%	21.70%	95.87%
Variant-b	4,264	137	3.21%	2.10%	57.11%

Where should we start  
testing?

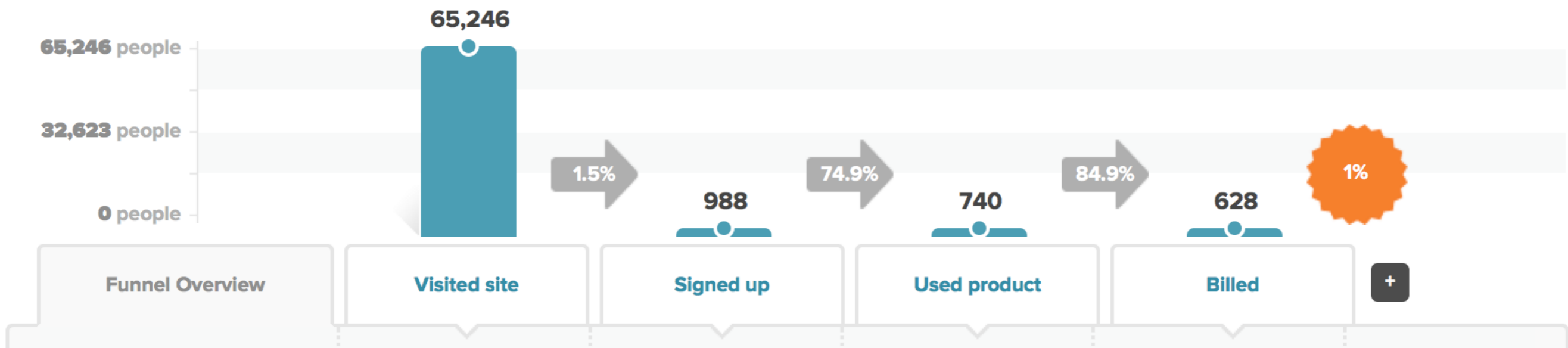
The biggest barriers are  
also your biggest  
opportunities.

Find the step in your  
funnel that people  
struggle with the most.

# Track your acquisition steps with KISSmetrics Funnels

Last 30 Days: July 22, 2014 - August 20, 2014

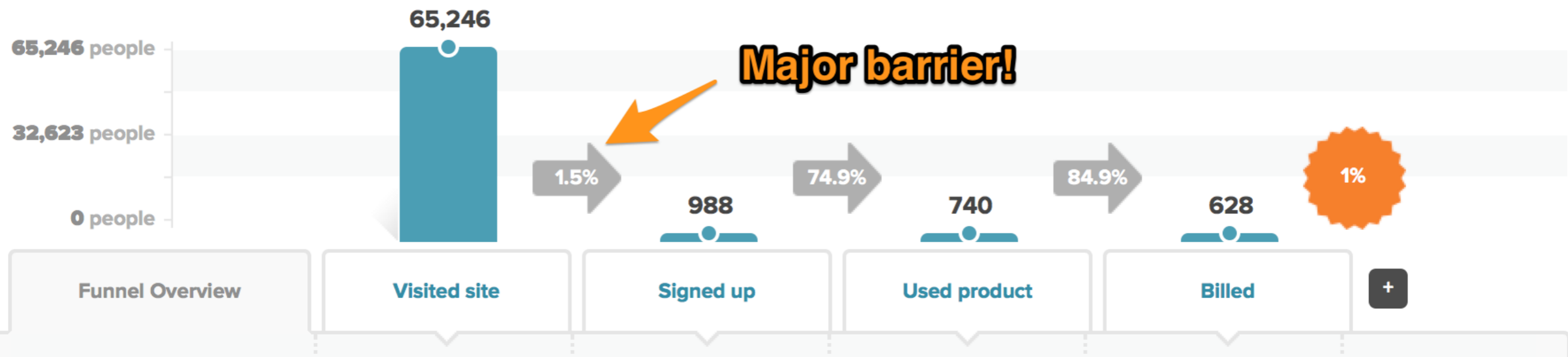
Edit Report ▾



# Which step has the biggest drop-off?

Last 30 Days: July 22, 2014 - August 20, 2014

Edit Report ▾

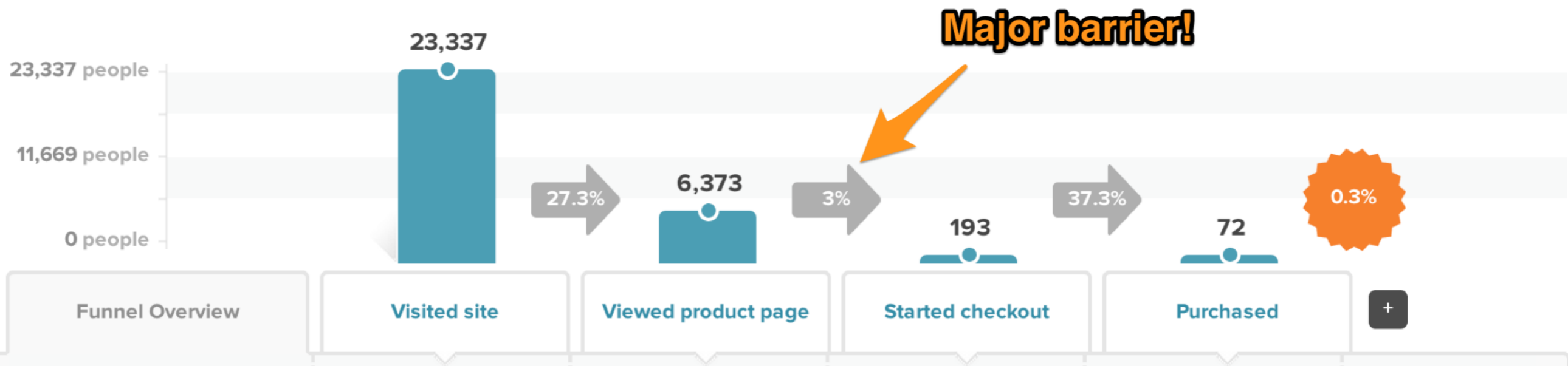




# Here's an ecommerce example:

March 21, 2014 - April 4, 2014

Edit Report ▾



When you find a major barrier, focus your testing at that step.

Where to find ready and  
willing customers?

# The KISSmetrics Revenue Report segmented by channel

By Segment for Apr 1, 2013 to Aug 20, 2014

Show: First ever

Channel

Channel	Total Revenue	Avg Revenue/Person	Lifetime Value	Paying Customers	Total Churn
Social	636,859	5,586.48	<b>46,329.28</b>	114 people	12.1%
Direct	5,974,064.27	3,740.80	<b>32,534.31</b>	1,597 people	11.5%
Organic	7,239,631.26	3,975.63	<b>29,905.87</b>	1,821 people	13.3%
Referral	2,513,230.95	3,342.06	<b>29,371.12</b>	752 people	11.4%
Email	307,067	4,040.36	<b>27,014.92</b>	76 people	15%
Paid	1,800	900	<b>1,800</b>	2 people	50%

Showing: 15 1 - 7 of 7

# Look for channels with lots of potential

By Segment for Apr 1, 2013 to Aug 20, 2014

Show: First ever

Channel

Channel	Total Revenue	Avg Revenue/Person	Lifetime Value	Paying Customers	Total Churn
Social	636,859	5,586.48	<b>46,329.28</b>	114 people	12.1%
Direct	5,074,004.27	5,746.80	23,134.12	1,597 people	11.5%
Organic	7,239,631.26	3,975.63	<b>29,905.87</b>	1,821 people	13.3%
Referral	2,513,230.95	3,342.06	<b>29,371.12</b>	752 people	11.4%
Email	307,067	4,040.36	<b>27,014.92</b>	76 people	15%
Paid	1,800	900	<b>1,800</b>	2 people	50%

Showing: 15 1 - 7 of 7

**Social has low total revenue but high lifetime value, this is a great channel for growth.**

# Keep growing your reliable channels

By Segment for Apr 1, 2013 to Aug 20, 2014

Show: First ever

Channel

Channel	Total Revenue	Avg Revenue/Person	Lifetime Value	Paying Customers	Total Churn
Social	636,859	5,586.48	46,329.28	114 people	12.1%
Direct	5,974,064.27	3,740.80	32,534.31	1,597 people	11.5%
Organic	7,239,631.26	3,975.63	29,905.87	1,821 people	13.3%
Referral	2,513,230.95	3,342.06	29,371.12	752 people	11.4%
Email	307,067	4,040.36	27,014.92	76 people	15%
Paid	1,800	900	1,800	2 people	50%

**Solid channels with valuable customers, keep growing these**

Showing: 15 1 - 7 of 7

# Check ROI on weaker channels, drop if needed

By Segment for Apr 1, 2013 to Aug 20, 2014

Show: First ever

Channel

Channel	Total Revenue	Avg Revenue/Person	Lifetime Value	Paying Customers	Total Churn
Social	636,859	5,586.48	46,329.28	114 people	12.1%
Direct	5,974,064.27	3,740.80	32,534.31	1,597 people	11.5%
Organic	7,239,631.26	3,975.63	29,905.87	1,821 people	13.3%
Referral	2,910,200.55	2,542.00	29,371.12	752 people	11.4%
Email	307,067	4,040.36	27,014.92	76 people	15%
Paid	1,800	900	1,800	2 people	50%

**Email isn't as good as others. Check to see if you have a positive ROI before trying to grow it**

Showing: 15 1 - 7 of 7

# Identify channels that need more testing

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Referral	2,513,230.95	3,213.16	22,314.13	752 people	11.4%
Email	307,067	4,040.36	27,014.92	76 people	15%
Paid	1,800	900	1,800	2 people	50%

Showing: 15 1 - 7 of 7

**Almost no data on paid, needs more testing before making a decision**



To accelerate growth, find  
great channels and  
acquisition barriers. Then  
run lots of tests.

# Resources:

Live, learn and succeed

- <http://blog.optimizely.com/>
- <https://vwo.com/blog/>
- <https://analyticsacademy.withgoogle.com/explorer>
- <http://blog.hubspot.com/>
- <http://moz.com/blog>
- <http://blog.kissmetrics.com/>
- <http://inbound.org/>
- Google, Google, Google!!



# Questions?

I promise I'll do my very best to answer..



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THANK YOU

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