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# Web Analytics

Business Case

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# 1. About Econsultancy

Econsultancy's reports, events, online resources and training help an international community of more than 85,000 digital marketers make better decisions, build business cases, find the best suppliers, look smart in meetings and accelerate their careers.

Econsultancy, which has offices in London and New York, is an [award-winning online publisher of reports](#) covering best practice, user experience benchmarking, market data, trends and innovation, and supplier selection. Econsultancy is an invaluable resource for internet professionals who want practical advice on all aspects of e-business.

Econsultancy also operates a highly popular [training](#) division, used by some of the world's most prominent brands for staff education, both in-house and via public courses. Econsultancy provides training across all areas of digital marketing and at all levels from one-day courses to an MSc in Digital Marketing.

In addition, Econsultancy hosts more than 100 [conferences and events](#) a year, including the Online Marketing Masterclasses, the annual Future of Digital Marketing conference, the Peer Summit, Roundtables, Briefings and a range of social events.

Econsultancy also runs the prestigious [Innovation Awards](#) where pioneering work carried out in the world of digital marketing and e-commerce is judged by an international panel of experts from companies themselves known for innovation.

The [Econsultancy.com](#) site now attracts 175,000 unique users per month where they access research, read the blog and take part in discussions in the forums. And as a portal to the digital marketing community, Econsultancy members can also link up with other members and digital suppliers through the directories, as well as find a new job or new digital talent using the job listings.

Some of Econsultancy's members include: Google, Yahoo, Dell, BBC, BT, Shell, Vodafone, Yell.com, Oxfam, Virgin Atlantic, Barclays, Carphone Warehouse, IPC Media, Deloitte, T-Mobile and Estée Lauder.

[Join Econsultancy](#) today to learn what's happening in digital marketing – and what works. Call us to find out more on +44 (0)20 7269 1450 (London) or +1 212 699 3626 (New York). You can also [contact us online](#).

## 1.1. About This Guide

This business case will help you evangelise about the business benefits of web analytics. Use it to figure out how to persuade your boss that an investment in web analytics is a smart move.

We don't expect you to know everything about web analytics, and anything you do know is a bonus. But what's important here is that **you know** that web analytics matters. And now you need to educate the boss.

This guide provides you with a framework for an internal presentation / argument for a web analytics budget. It contains lots of key facts and figures that will help you make a solid case for investment.



## 2. Scope

We have purposefully limited the scope of this report in order to focus on **Winning The Budget**. Accordingly, it will not explain the ins and outs of analytics in minute detail.

### **What you can expect from this guide:**

- We'll start off by providing you with a brief overview of web analytics.
- Then, we'll get into why web analytics is so important for businesses of all shapes and sizes, backing up our view with market data and other research.
- After that we will take a look at some recent trends in web analytics.
- Once we've set the scene we'll provide you with a list of business benefits. Then we'll let you know what to expect in terms of costs and resourcing.
- And finally, we'll look at a few case studies, by sector.

### **Further Reading**

Web Analytics: A Beginner's Guide

<http://econsultancy.com/reports/web-analytics-a-beginner-s-guide>

CRM 2.0 Report

<http://econsultancy.com/reports/crm-2-0-report>

Online Measurement and Strategy Report 2009

<http://econsultancy.com/reports/online-measurement-and-strategy-report-2009>

Web Analytics Request for Proposal (RFP)

<http://econsultancy.com/reports/web-analytics-request-for-proposal-rfp>



## 3. What is Web Analytics?

- “You can’t manage what you can’t measure”. Web Analytics is about understanding how your website is being used in order to optimise performance.
- It is often said that web analytics tells you *what* is happening on your site but not *why* it is happening. Web analytics provides hard, quantitatively-relevant data to tell you what is happening, but you typically need user-testing to gain the qualitative insight into *why* it might be so.

## 4. Why is Web Analytics important?

**Here’s why you need Web Analytics...**

- **“You can’t manage what you can’t measure”**  
We’ve said it once but we’ll say it again. This saying is somewhat of a truism, perhaps, but would you run a business without any form of measurement of how it was working? No form of analysis or reporting? No benchmarking or targets? No means of analysing performance to gauge the best way to invest, cut costs, or resource optimally? A bit like broadband, once you’ve tasted the power of web analytics, there’s really no way you could run a website without it.
- **More effective targeting of marketing activities**  
Find out which visitors are most likely to convert into customers or subscribers and use this insight to optimise marketing spend.

## 5. Market Data

The following data comes from our [Internet Statistics Compendium](#), a useful report that aggregates internet-related research in one place.

### **Web Analytics - Market Value**

The UK market for web analytics grew 12% in 2008, from £70 million in 2007 to an estimated value of £78 million.

Nearly 70% of organisations were planning to increase their spending on web analytics last year, according to a new international study by the Web Analytics Association (WAA)

## 6. Web Analytics Trends

- **Multivariate and A/B or split testing is becoming more popular**  
Multivariate testing is still relatively limited in the UK, but becoming more commonplace (as in the US). A/B or split testing is more common. Split testing typically begins with different offers based on first time vs. repeat visitor; or tests with different versions of landing pages for search or other controllable campaigns. There are new companies (e.g. Optimost) coming to market with propositions explicitly around improving such testing.

