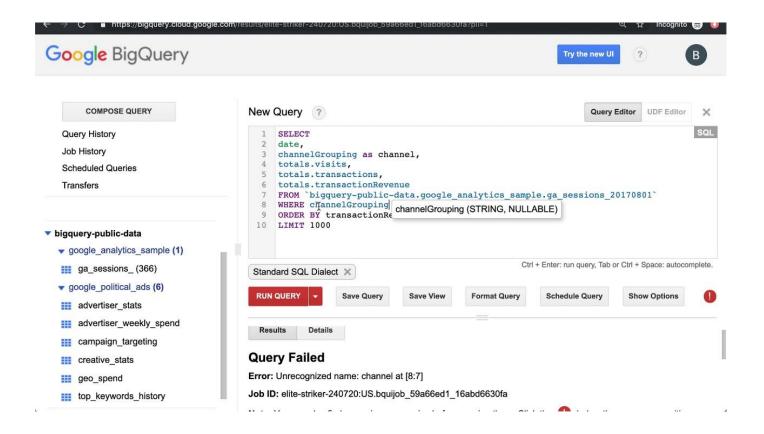
From Zero to Hero:

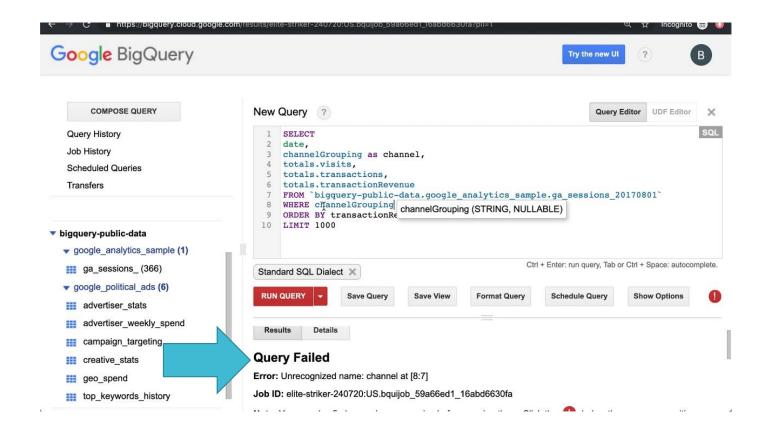
# How Any Marketer Can Derive Value from Digital Data Like a Pro

By Allan Woodstrom

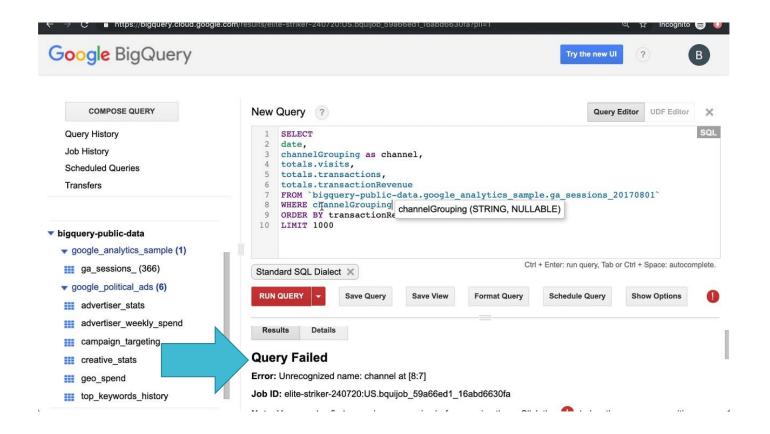
## Query failed. FML.



## Most people stop here.



## It feels too hard.



These
guys,
the "data
scientists"
will tell
you it's too
hard too.



#### You tell them...

You are not doing data science.

You are doing analytics.

You don't need a model. Just some data.



## Data Science vs Business Analytics

#### **Data Science**

- Data inputs, produce an output.
  - Mining huge data sets.
  - Predict the future with mathematical models.
  - Model output used in applications in real time, like approvals for financing
  - Development based on use cases.
  - Constant retraining of models.

#### **Business Analytics**

- Seeking understanding, not predictions.
  - Reports based.
  - Ad hoc questions.
  - More triangulation, less computation.
     We did x, we saw z.
  - Recognition that results are often a result of data we don't have visibility to.
     Could be cost prohibitive to collect, or unable to collect anything reliably.

How to derive value from digital data better than these guys using simple business analytics...



Mathematical Complexity ≠ Value

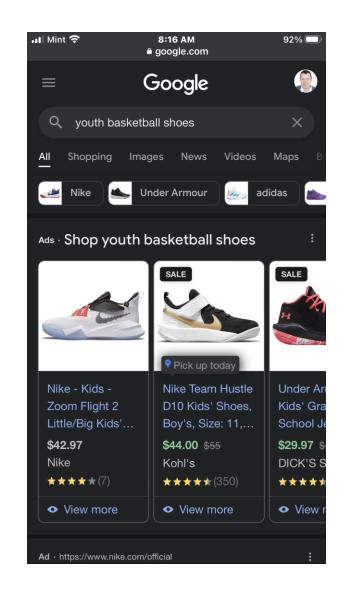
#### Mathematical Complexity ≠ Value

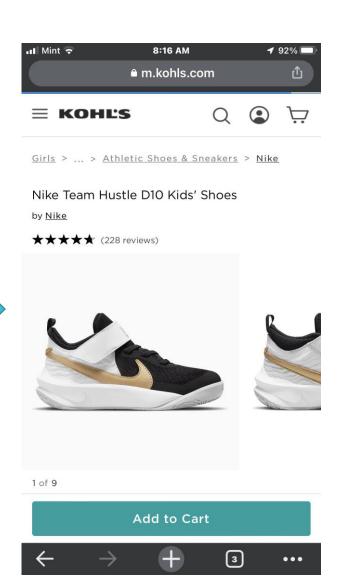
#### Why is that?

Can you replicate the model?
Can you explain the model?
Can you scale the model?
Is the model overfit?
Can the model run in real-time?

#1 – Walk the experience as a customer.

Look at data in areas that you found difficulty.





#2 – Perform a high-low analysis of key reports. High traffic, low conversion.

Low traffic, high conversion.

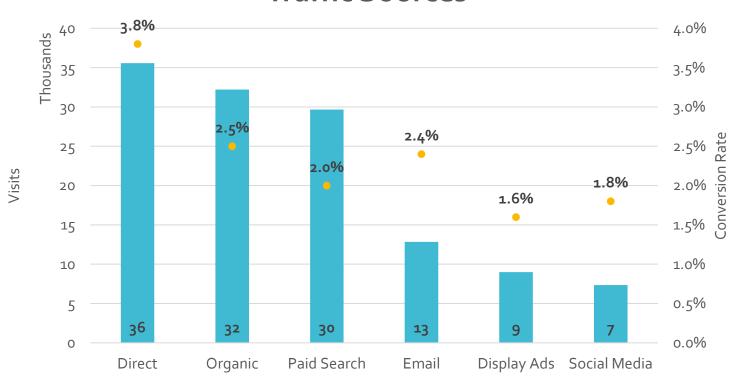
Conversion is the action you want customers to take.

#### **Key Reports:**

- Pages
- Entry Pages
- Traffic Sources
- Internal Search
- Navigation Links

#2 – Perform a high-low analysis of key reports.

#### **Traffic Sources**



#3 – Quantify the potential benefits.

Paid search conversion was lagging.

Clean up your landing pages.

## What if conversion from paid search increased to 2.5%, instead of 2%?

#### Math:

- Paid Search Traffic: **29,000** visits last month.
- Current: **29,000 x 0.02 = 580** orders
- What if: **29,000 x 0.025 = 725** orders
- 725 580 = 145 new orders at \$125 average order value
- **145 x \$125** = **\$18,125** increase (just for last month)
- Annualization: Revenue for last month / Revenue for last 12 months
- \$435,000 last month / \$6.8M last 12 months = 6.3% of year
- \$18,125 / 0.063 = ~\$287,000 annually

#### Pro tips:

- Round your final numbers to show your level of certitude.
- Give a range. Cut your lift in half, cut your benefit in half. What if conversion increases were between 2.25% and 2.5%? \$140k -\$285k annually.

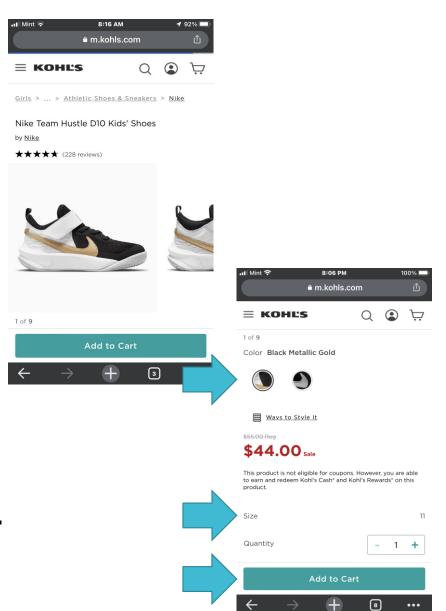
#4 – Perform an analysis of elements on the paid search landing page.

### Look at page content:

High traffic, low conversion.

Low traffic, high conversion.

Move things above and below the fold.

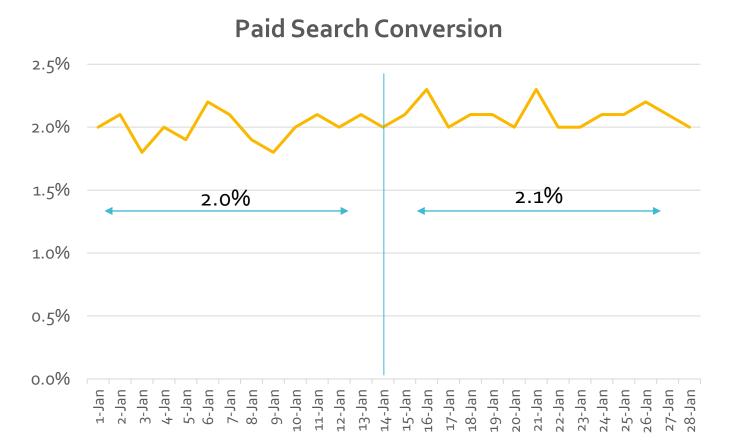


#5 – Do the work or influence others.

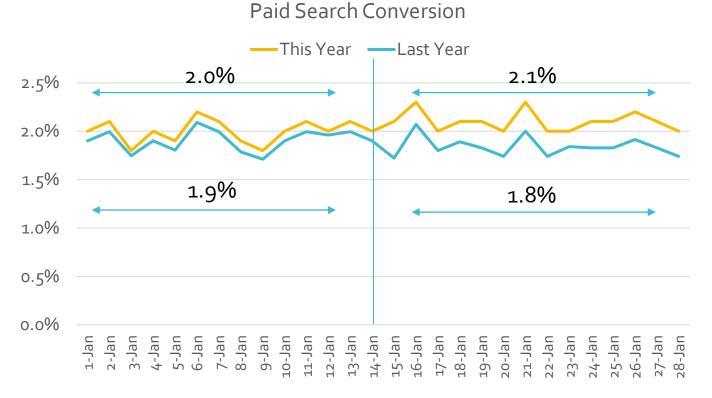
#### Present the opportunity to others.

- 1. Provide your key insights, but not too much detail.
- 2. Talk about the potential in terms of how it helps customers and makes money.
- 3. Leave room for others to talk about possible solutions, especially if you need their help to execute. Build the shared ownership.

#### A delta is a change.



A double delta is looking at the change of one metric (test) and comparing to the change of another metric (control).



Test = This Year | Control = Last Year

An alternative control could be the trend of organic conversion over the same time period.

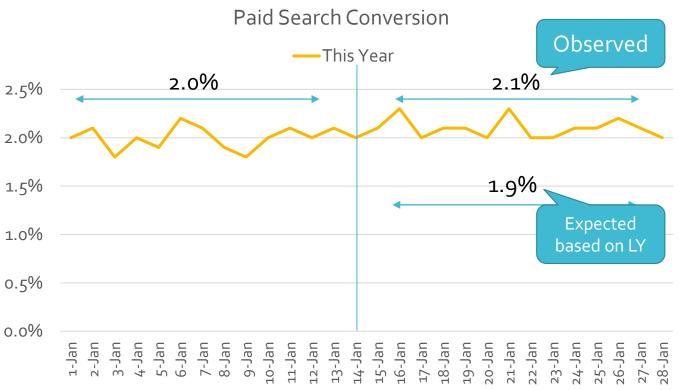
	Pre	Post	Delta
This Year	2.0%	2.1%	5% lift
Last Year	1.9%	1.8%	-5% drop
•			10% lift

#### Notes:

- 1. "Last Year" is the baseline.
- 2. -5% is last year's delta. In other words, that is what we would have expected to happen based on seasonality.

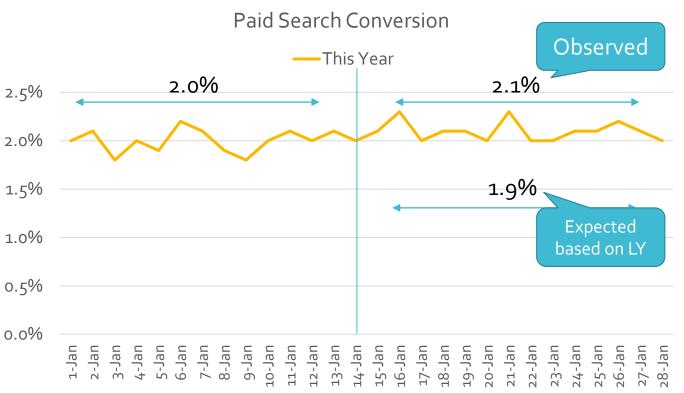
$$(1.8-1.9)/1.9$$
 or  $-0.1/1.9 = -5\%$ 

- 3. +5% is this year's delta.
- 4. The delta of the deltas (double delta) = 10% conversion improvement from what we would have expected. (5% -5% = 10%)



#### Math:

- Paid Search Traffic: 15,000 visits in post period.
- Observed: 315 orders (15,000 x 2.1%)
- Expected: 285 orders (15,000 x 1.9%)
- 30 more orders x \$125 average order value = \$3,750
- Annualization:
   Revenue last 2 weeks / Revenue for last 12 months
- \$215,000 last 2 week / \$6.8M last 12 months =
   3.1% of year
- \$3,750 / 0.031 = ~\$121,000 annually



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You're short the \$280k you promised? Remember that no one gets it exactly right the first time. Go back and look for

more optimization

opportunities.

## Final Key Takeaways

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## Seek to derive value from your data.

We collect data to do something with it.

Don't be afraid to ask for it.

I believe any one in the room can do the examples outlined.

#### Final Key Takeaways

## Walk the experience to gain domain knowledge.

I pretend I am my mom or sister.

Where would they have issues? What would be the impact to conversion if you stripped those obstacles out?

## Run a high-low analysis.

#### Final Key Takeaways

High traffic, but no one is buying. Seize the opportunity.

Low traffic, but everyone seems to be buying. Show more people.

#### Final Key Takeaways

#### Size the prize.

What if conversion increased? Or revenue per visit increased?

#### Pro tips:

- Err on the side of being conservative.
- Put estimates in ranges.
- Make sure it passes the smell test.

#### Final Key Takeaways

## Don't just include others, inspire others.

#### Pro tips:

- Only go after what you truly believe in.
- Share the ownership.
- Come with a focus on customers and financial benefits.

#### Measure the impact.

#### Final Key Takeaways

Remember, the double delta.

Measure the change of what you are updated as compared to a time or metric when you didn't change anything.

#### You are smart enough.

Final Key Takeaways Complexity ≠ Value

And thank you for hanging around until the end of the conference!