

Defining Your Website's ROI

Marketing is the activity of raising awareness that your product or service solves a problem for a specific group of people. These groups, whether they are individuals or businesses, create a market segment. Multiple groups with similar, but not identical needs, form what is known as a market space. Each market segment can also (but not always) be called a niche. A hallmark of successful companies is that they conquer a niche, then move onto the next one, until they have achieved "market dominance"- a temporary status in which a majority of the segments comprising a market space trust a particular company to solve their particular problem and therefore meet their needs.

Marketing is not sales, and this is where a lot of people get confused with the purpose of their website. Even websites that sell product directly from their online store cannot sustain acceptable sales volumes without a firm understanding of marketing. As marketing raises the awareness needed to attract customers, it should also accelerate the sales process and reduce the cost of making a sale. This is where the ROI of a website can be found, and this also precisely why marketing has traditionally been difficult to gauge in terms of ROI. A website, however, can significantly improve ROI visibility into your marketing materials like no other medium or approach. For instance, it can perform the act it is most famous for: lead generation. Stopping with lead generation, however, is a mistake.

Regardless of if your website sells services or product, whether your sales model is a simple online store purchase or a complex sales paradigm that requires securing inside champions at the C-class level of a target organization, a website can help you in ways so powerful and quantifiable that to neglect it can leave you exposed to market risk you may not even be aware of.

The size of your business does not matter. The fundamentals of online marketing don't change. When correctly applied, the required approaches can have an astounding impact on the perceived value of a company. Often referred to by marketers as "the great equalizer" the internet offers companies the chance to look and act like "the big boys", making small companies virtually indiscernible from large ones...as long as the fundamentals are followed. Conversely, failing to adhere to these principles can make even the largest company look disorganized, cheap, and in some cases downright disrespectful of their target audience. Such websites communicate to potential clients that they don't care about their image, and don't respect the time their potential client is taking to visit their website. If any marketer or salesperson took this approach in a face-to-face meeting, they would (or should be) fired. Yet this is exactly the approach most companies take. It wouldn't be so bad if this were a cheap brochure being handed out. At least then the collateral damage would be isolated to reducing the credibility of the organization one sales call at a time. But on the web, everyone can see how you don't care, and they can all see it at the same time.

Eroding your branding in this manner might seem to have little or no impact on your overall sales because it appears to be an abstract sort of thing. Again, this is where a direct line to

ROI can be difficult to define. Closely tracking your sales AND the effort required to make sales is the only way to start defining true marketing ROI. As stated above, your marketing efforts should support your sales efforts at many levels, and indeed accelerate them. Your sales team should be able to see that your marketing efforts are making their jobs easier.

With a website there are tools at your disposal that print and broadcast marketing mediums will never possess. For this reason many companies have made their websites central to all of their marketing efforts. With a website you can track how many visitors come to your site, which pages they visit, which white papers they download, which products they buy from you, how many of them come back, how long they stay on your site, and much more. Sales, therefore, is hardly the only metric that matters when it comes to running a successful online campaign. Though the ultimate goal may be more sales, donations, or (even more difficult to quantify) greater awareness of a cause, nothing is sold without careful guidance of the target audience to the desired action. Tracking visitor statistics closely on your website helps you change your site to improve it based on what you see your visitors doing there. Change, therefore, is paramount for a successful website. If your website stagnates, your marketing efforts are doomed. At this point you know that “success” is measured by how well it supports sales efforts, and that this is where you begin to quantify ROI. Therefore, if you do not track metrics on your website, your efforts and cost to build and maintain it are wasted because you are not aware of behavior that is communicating how relevant your site really is (versus what you think it is) to your audience.

But a website must do more than this to justify its existence. It must not only support sales or other desired outcomes, it must make your marketing campaign sustainable. No marketing campaign is sustainable unless it creates fire starters; people who will become your champions and refer others to you. This is not a web concept, it is a fundamental truth from the dawn of marketing history. The web simply magnifies its importance, and creates an extremely unforgiving business environment for those that neglect it while the competition pursues it whole heartedly.

Now we are ready to look at a website from a web marketing perspective and narrow this vast subject to just 5 key points for the remainder of this article.

1: Traffic Drivers as Traffic Filters



Activities that send traffic to your site can include Search Engine Marketing, Search Engine Optimization, a sales force referencing the site so that clients can learn more about the company or double check what the sales people are saying, and much more. Central the concept of driving traffic is the focus on “highly qualified” traffic. This type of traffic is most likely to really need what you have to offer. They are the market segment you have targeted. You have targeted them through ad copy and communication prior to reaching your website that lets most of them know you are irrelevant, and a few of them know you are most likely the

perfect choice. Volume of traffic, therefore, is irrelevant. In fact if you are running a “Pay Per Click” campaign on the Enhance Network, Yahoo! Search Marketing, or Google AdSense, high volumes of the wrong kind of client will quickly destroy your online ad budget.

2: Web Content Filters and Directs Visitors



Your website content performs more filtering. Once at your site, you must deliver on what you promised in your ad (whether online or print) or other referencing approaches. This is also where people who thought they knew what you did figure out that in fact they misunderstood and so they leave your website. This is normal, though not desirable, and your website content should continue to narrow the audience segment in order to generate an acceptable ratio of desired responses (leads, downloads, sales, etc...).

3: Impressive Branding and Valuable Offering Creates Conversion



A “conversion” occurs. People convert from visitors to paying clients, or members, or whatever activity you wish them to perform. This is again a subset of the visitors to your site. Your branding is important here, as a well developed website that also has good graphic design behind it will grab and keep attention. But even if a visitor determines you offer what they are looking for, often they will get others involved to double check your validity or go comparison shopping with a single mouse-click. If you’ve done your job of keeping your site up to date and

spending the time to monitor the metrics, chances are your message has clarity, is compelling, and puts your competition on the defensive as they compare the competition to you, and not

the other way around. If they return often, the chances increase that they will perform the desired action. This is why repeat visits, and making a site “sticky” so that people keep coming back, is so important. It is the only reason you would ever post a news section on your site, a blog, an article library, a newsletter, and other things that the visitors would value. Creating content with value to a visitor is an entirely different article for another time, but suffice it to say that if all you do is detail your products and services, the content will have limited staying power and garner almost no repeat visitors.

Recall that trust is a pre-requisite to being considered an authority on a given problem you solve. Much of that trust is formed when a visitor to your site sees how professional you look on the web. Neglect the visuals of your site and you risk losing trust inside of 15 seconds. If you neglect well written content, that which is well planned and complimented by carefully designed navigation to help visitors quickly self-select into the right area of your site, then you will risk looking like you really don't know what you are doing after all. Your competition is only a click away, so make sure that even if they do decide to check out another site (normal and likely), they will decide to come back and look at you again as part of their online research. It often takes multiple contacts to make a sale. It is no different on the web. Make sure your website caters to that fact.

4: The Word Gets Out

4 Viral Marketing (Awareness)

Capitalize on happy clients by making it easy for them to share your website and articles with others.

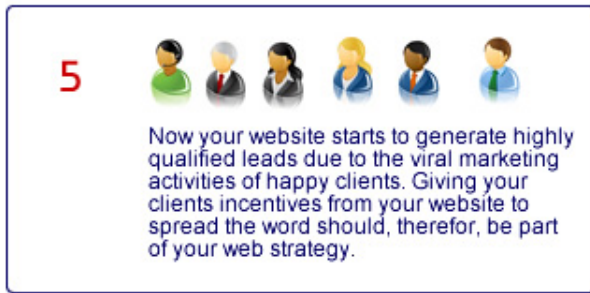
 [Send Friend This Page](#)

 [DIGG.COM](#)

 [Newsletter Signup](#)

Happy customers become fire starters. They want to share the good news about your existence and how you helped them. This act of referencing is as powerful as it gets. It should be a primary marketing goal of your site. Without it, no marketing campaign is sustainable. It is a primary reason, and in fact sometimes the only reason, to have a website. It is so important that it should take precedent over search engine efforts designed to attract people who have never heard of you.

5: Highly Qualified Leads From Referrals



The recipient of the communication endorsing your site automatically assigns higher trust to the message if they trust the colleague or friend sending the message. In fact, they might skip many of your web pages and go straight to the solution or product you provide simply because a trusted source referred them to you. They don't need to read anything more. You're in. This has tremendous ramifications as you are now getting

more traffic of the highly qualified type to your site through no further marketing efforts on your own. Your website is now really going to work for you.

This is also where social media comes into play. Social Media is a categorization of websites and internet tools that facilitate the sharing of information by allowing web surfers to create their own content. For marketing purposes, this is interesting when such content is an endorsement or detraction of a company. For the purposes of this article, we will focus on aspects related to endorsing your company by referencing your website.

Referencing tools such as links on a site that let you instantly send an e-mail to someone with a link to a web page, are not strictly considered social media, but the end result is the same: you are summarily judged good or evil by opinions of people who have interacted with you. Given the lightning fast nature of bad news and the speed with which word gets around on the internet, you do not want to be judged negatively.

If you are not familiar with Digg.com, technorati.com, MySpace, Xanga, and other social media websites, it's time you spend 8 hours on each of those sites to update your marketing knowledge. You must adapt and learn new things in any profession. Insurance agents are required to attend Continuing Education courses to keep themselves current on laws and trends in their industry. Nurses do so in order to better learn how to care for people and save lives. Your responsibility to your business is no different. It will be time well spent and you will inevitably begin thinking of ways such powerful capabilities can quickly enhance, or even rescue, the marketing plans you have set into motion.

Web ROI Process

Copyright 2008 MJ Penner Consulting

1



How Site is Found (Awareness)

Search Engine Efforts
Article Marketing
Sales Personnel

Raises awareness for a specific audience. Inevitably, some non-ideal visitors click to your website.



2



Website Content

Eliminates the interest of non-target audience.

Facilitates visitor self-selection into the appropriate area of the website.



3



Expertise, impressive branding, all lend to your credibility and improve the likelihood of a sale to an audience which is now highly qualified.



4



Viral Marketing (Awareness)

Capitalize on happy clients by making it easy for them to share your website and articles with others.



[Send Friend This Page](#)



[DIGG.COM](#)



[Newsletter Signup](#)



5



Now your website starts to generate highly qualified leads due to the viral marketing activities of happy clients. Giving your clients incentives from your website to spread the word should, therefore, be part of your web strategy.

www.michaelpenner.com