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TECHNOLOGY****DIGITAL MARKETING: SUCCESS METRICS, FUTURE TRENDS****Preeti Kaushik**

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ABSTRACT

Business Marketing is one of the prospective which has been tremendously affected by digital world in last few years. Digital marketing refers to doing advertising through digital channels. This paper provides detailed study of metrics to measure success of digital marketing platform and glimpse of future of technologies by 2020.

KEYWORDS: Digital Marketing, Website, Success metrics, Digital Channel, Conversions

I. INTRODUCTION

We are living in the era of digitized world. Electronic gadgets have penetrated in all areas of our life whether professionally or personally. Professionally, Sending emails, using office, making and delivering presentation, sending and receiving documents electronically. Personally, it connects us with our friends via social media portals, chat messengers, sharing digital media, video calling etc.

Digital marketing is also referred as data driven marketing, online marketing. Many people relate online word with having a beautiful website. But online marketing is much more than the cosmetic pages. It is a set of strategies that brings people to your website blog, webpage and converts them to customers. Digital marketing makes sure that when a user types keyword on search engine at user machine that is relevant to your business, your website appears at the top of the search results [4]. There are number of strategies which could be used to meet this.

Various Digital channels can be [1]

- 1) Websites
- 2) Social media channels (Facebook, LinkedIn, Twitter, Instagram, etc.)
- 3) Blog posts
- 4) Emails
- 5) Search engines
- 6) E-books and white papers
- 7) Mobile apps

II. NEED OF DIGITAL MARKETING

With the change and evolution of modern technologies, all type of business-small, medium and large are doing everything to grow their business revenues and reach global customers. Every kind of business are changing their business model from traditional shop based to online service provider. Digital marketing have proved to be a effective marketing channel that can grow business overseas.

Advantages of using digital marketing platform over traditional [2][3]:

- 1) More cost effective
- 2) Helps generate better revenues
- 3) Facilitates interaction with targeted audiences
- 4) Caters to mobile consumer
- 5) Provides better ROI for marketing investments
- 6) Helps businesses stay a step ahead of their competition
- 7) Digital marketing delivers analytics
- 8) Allows business to watch their brand on click
- 9) Provides business with other sales channel
- 10) Ability to directly interact with potential customers

III. MEASURING METRICS FOR DIGITAL MARKETING SUCCESS

Online marketing can be successful or failure depending on the strategy you used. There are number of factors in terms of metrics depending upon which digital marketing success or failure can be analyzed. These metrics can further be used to find loophole in your website and measures can be taken to improve so that failure can be converted into success.

Figure 1 lists all the Success metrics categories:

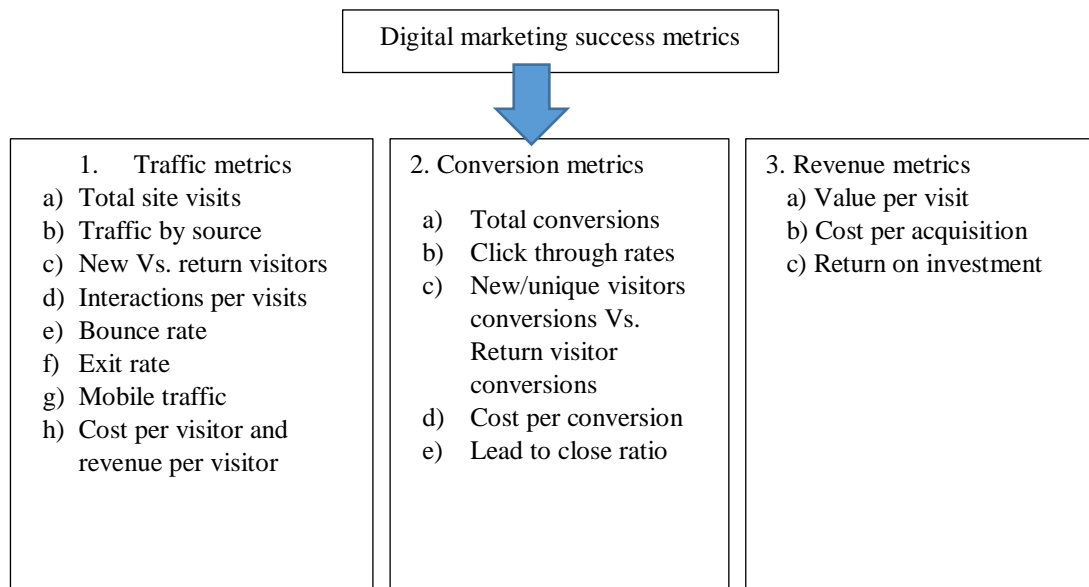


Figure 1: Digital Marketing Success Metrics

1) Traffic metrics

Your website is the first interactions that a customer have with your services. There are many web analytics tools out there that will give insight into how visitors are interacting with your website. Each and every action performed by a visitor help you to decide source of your customers, what they are looking for, and whether you're providing them with the information and/or solutions they are looking for. Taking the time to measure, analyze and understand your web traffic, enables you to see how visitors are interacting with your website. Keeping tracking of these traffic metrics places you in the best position to further improve your overall web routine[5].

Let us now discuss these metrics one by one:

a) Total site visit

This figure tells you about how effective your campaign is about driving traffic or visitors to your website. This number should grow steadily over time; if it is dropping then you must take measure to improve site traffic.

b) Traffic by source or channel

This metric is useful for segmenting your traffic sources to pinpoint which ones are over and underperforming in your overall marketing campaigns.

In general, visitors belong to any of the following four channels/sources:

Table 1: Visitor Type based on source

S.No	Source/Channel	Explanation
1	Direct Visitors	These are the known visitors of your brand and directly comes to your website by typing URL on their browser.
2	Organic/Search	These are search query based visitors who are looking for something and they search the same on search engine.
3	Referrals	These visitors arrived at your side from a link on another website or blog.

Based on visitor's source you can take measure to improve. For example, if the majority of your visitors are coming from your social media efforts, then you may want to focus more of your efforts in that area. However, if largest number of visitors are coming from search results by search engine, then you may want to invest in an SEO and PPC campaign to attract even more of your target audience [5].

c) Number of new visitors versus number of return visitors

This ratio is a measure which tells how your new content of website is performing. It is an indication of usefulness of your content. By keeping track of this ratio over weeks and months you can find whether new content is driving traffic.

d) Interactions per visit

It is more detailed analysis of customer activity when he visits your website. Customer activity could be how many pages user visit, how long he stay on individual page and what he do on every page lie watch products, watch similar product with some feature, left remark, see others remark etc.

An analysis of your interactions per visit gives you the opportunity to discover which activities and behaviors are keeping visitors on your site and what you can do to encourage more of them.

e) Bounce rate

Bounce ate determines the performance of landing page at generating interest of website visitor. High bounce rate means visitors are leaving the entry page right away without performing any activity. Low bounce rate means site content is relevant to user and is performing well.

Bounce rate can be computed by following expression:

$$Rb = Tv/Te \quad (1)$$

Where

- R_b = Bounce rate
- T_v = Total number of visitors viewing one page only
- T_e = Total entries to page

A visitor may bounce by following actions or cause:

- Clicking on a link to a page on a different web site
- Closing an open window or tab for immediate exit
- Typing a new URL in the browser
- Clicking the "Back" button to leave the site
- Session timeout and no activity performed by user during the session time

f) Exit Rate

Exit rate is the percentage of visitors who leave your website from a specific page. This has to be beyond the landing or home page, and every page on your website has its own exit rate[6]. Exit rate is different from bounce rate as Bounce rate is leaving website from the landing page itself whereas exit rate is leaving website from page other than landing page.

This helps you identify drop-off points in your conversion process so you can optimize webpage accordingly.

g) Mobile traffic

With the increase of smart devices there is a significant increase in mobile visitor. With identification of mobile visitor metrics you can understand your mobile customers and increase conversions.

You need to understand:

- What percent of your traffic is mobile?
- What devices and browsers do they use?
- Traffic Source: Where are they coming from (direct, organic, referral, social, etc.)
- What content are they consuming?
- Your site speed as slow load time may affect your conversions

h) Cost per visitor (CPV) and revenue per visitor (RPV)

CPV is a Quantification of the amount of total investment in a particular channel by the total number of visitors it generated. It can be computed by:

CPV= Total investment / Total number of visitor it generated (2)

RPV is a Quantification of the amount of revenue generated each time a customer visits your website [7].It can be computed by:

RPV = Total Revenue / Total number of visitor to your site (3)

If your RPV exceeds your CPV, you're on your way. These numbers also help shape your budgets for certain types of paid campaigns. By running these numbers for each of your traffic sources (search, social, email, etc.) will give you a rough basis to measure success of every channel [8].

2) Conversion metrics

Conversion metrics is a measure of converting visitor into customer and making every visits valuable. Various Conversion metrics can be:

a) Total conversion

Conversions means visitors who become digital records in your CRM or marketing database, whether by making a purchase, downloading an asset, or subscribing to a mailing list. Your financial department will be most interested in conversion, the ultimate measure of success for a marketer. Low conversion rates are indicative of some problems and put you below bottom line. Reason could be from poorly designed websites to unattractive offers[8].

b) Click through rates (CTR)

CTR is the number of clicks that your ad receive when your ad was shown. It can be computed by:

CTR = Number of clicks / Number of impressions (4)

For example, if you had 15 clicks on your ads and 1000 impressions i.e ads was shown, then CTR would be 0.15%.

Measuring CTR is very important for paid as campaigns and email marketing. It is used to analyze how well which keywords, ads are doing well and which needs to be improved. It tells how often people ends up clicking your ads. A high CTR is a good indication of your ads relevancy to the user.

c) New/Unique Visitor Conversions versus Return Visitor Conversions

Visiting and interaction pattern of new visitor and regular visitor is different from each other. As new visitors explores the site pages and stay for much longer time if found relevant whereas regular visitors already knows your site map and navigate to the desired page directly. For marketing, tracking these visitors is helpful in reducing bounce rate, increasing return visitor rates and conversions.

d) Cost Per Conversion

Conversion is also called cost per lead, cost per referral, etc.. The overall metric is extremely important, because it ultimately determines your margins. Why? A high cost per conversion can turn a high conversion rate into a negative if the costs are so high they drop your net income too much [8].

e) Lead to Close Ratio

It is used to compute sales efficiency. It is a measure of your marketing ROI projections. It can be computed by:

Lead to close = number of successful sales/number of leads (5)

3) Revenue Metrics

Revenue metrics is the ultimate metrics to measure success of business. Revenue metrics can be:

a) Value per visit

This metric is related to visitor's interactions numbers. It is a value we look as every time your visitor visits, he adds value to your business. Values can be tangible (when something is purchased) and intangible (customer review, product recommendation, interaction with support team etc.)

b) Cost per acquisition (CPA)

This metric is all about generating revenues. This metric comes into action when a visitor turns into paying customer. CPA tells you exactly how much marketing investment you have to spend to get someone to open his wallet.

c) Return on Investment (ROI)

ROI is the final measure of your digital marketing performance: Are your marketing platform and efforts profitable and delivering positive results to your business bottom line?

Here's where your lead-to-close ratio comes into play to help keep you on track. If you're spending Rs. 25 per lead and your closing rate is 25 percent, it costs you Rs. 100 to acquire a new customer. If your average customer value exceeds that amount, you're in the black on projected marketing ROI [8].

Depending where you are on the digital marketing spectrum, you may or may not want to formally track each of these metrics, but doing so will give you a pretty accurate view of how you're doing, what channels are effective, and where your efforts need improvement[8].

IV FUTURE OF DIGITAL MARKETING BY 2020

Mobile have changed human life in many ways. Device have proved itself as a major device that have simplified our life in many ways. Mobile makes half of web traffic for a website. In coming years, this number will increase year by year. Advanced marketers should be building statistical models to ascertain what signals mean customers are interested in certain products and serving them accordingly [9]. According to survey done by economist intelligence unit survey, 2016[10] on digital marketing, there are many computer technologies which are going to impact field of digital marketing. Figure 2 shows various technologies impact on digital marketing.

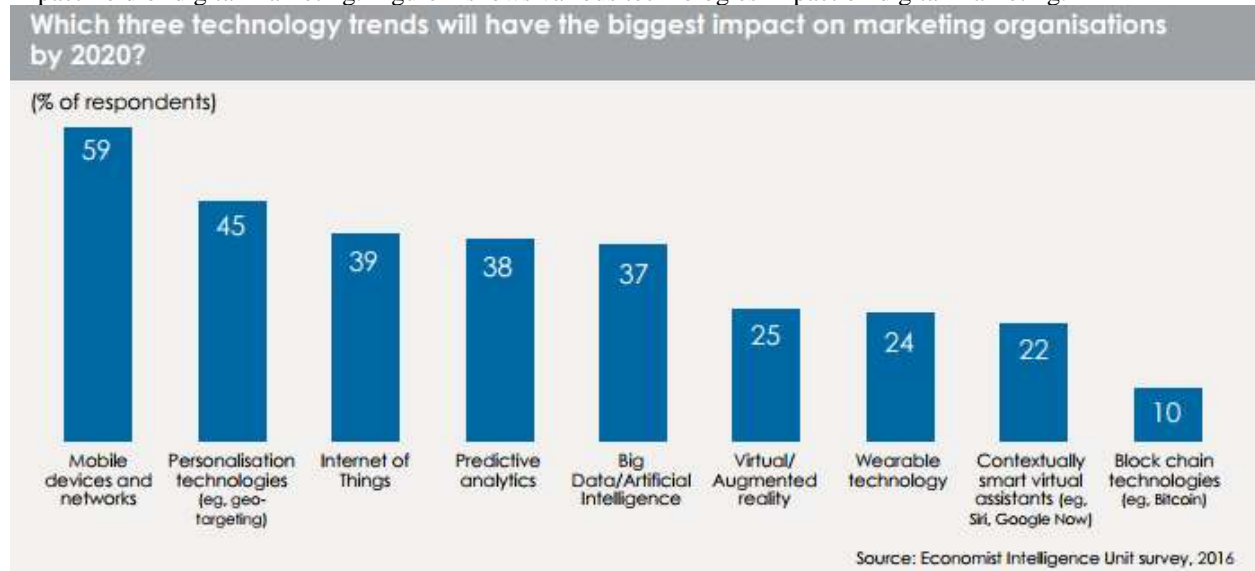


Figure 2: Technology Impact on marketing organization by 2020[10]

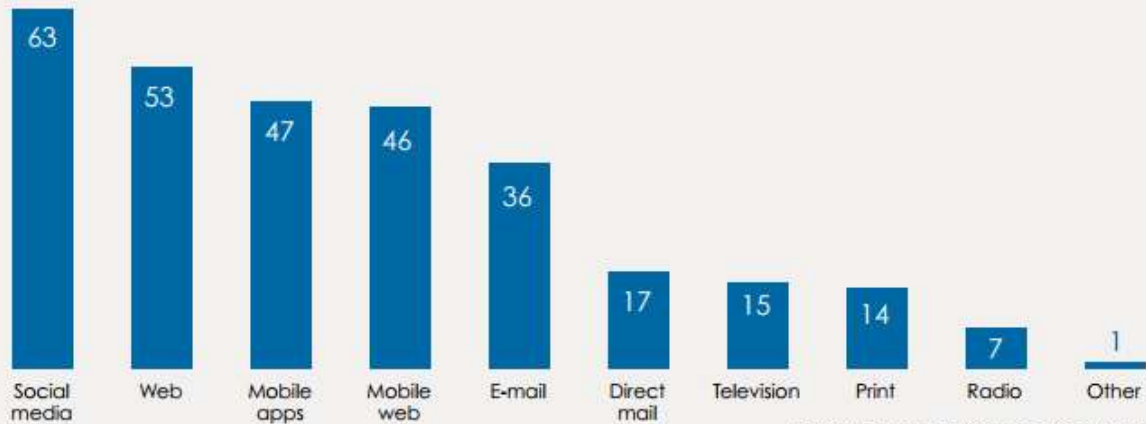
These technologies taken together are going to create different challenging and competitive environment in future for digital marketing team of an organization.

According to the survey, Social media is going to be on the top of choice list as a digital channel for marketing. Figure 3 compares the market share of all digital channels.



What are the top three channels through which you expect your customers to experience your organisation's marketing efforts in 2020?

(% of respondents)



Source: Economist Intelligence Unit survey, 2016

Figure 3: Digital Channels by 2020[10]

IV. CONCLUSION

This paper has discussed various metrics involved in measuring success of your digital marketing campaign on different channels used. By identifying loop holes and improving those metrics points, your website performance can be improved in terms of generating revenues. Paper also discussed about future trends of digital marketing in terms of other technologies which are going to affect and top choice of digital channels by 2020.

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