

## Chapter 1

# Money Makes the Web Go Round

### Overview

After reading this chapter, you will understand:

- Why the only fair way to evaluate Web site success is by measuring whether the site is making or saving money
- Why site measurement and testing can make the difference between Web site success and failure

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For your organization's Web site, there is only one metric that matters:

### **How much money is it making?**

This question can only be answered with a **\$**.

This question cannot be answered with a # derived by visits, hits, or clicks.

This question cannot be answered with a simple "yes."

This question cannot be answered with such phrases as, "They love it," or "They really like the colors."

### **Why don't more people talk about the Web in terms of "\$" ?**

The Web has been used as a business tool since 1995. Yet, when asked how your Web site performs, you might not quantify success in terms of contribution to revenue. Instead, you prefer to discuss Web success in terms of visits or hits. Why?

- Your Web site is not making money.
- You don't know how to calculate whether your Web site is making money.
- You don't care whether your Web site is making money.

Or, you acknowledge a lack of revenue generation with rationalizations:

- "Our site doesn't make money. It only has content."
- "Our site doesn't make money. It's only meant to give our organization a presence on the Internet."
- "Our site doesn't make money. It's there only because our competition has a Web site."

### **It always comes back to the money**

If your site sells products and merchandise directly, it may be easy to determine whether your organization's site is generating revenue.

On sites that do not sell directly, it may be more difficult to see a direct relationship between the Web and your business revenue. Consider these examples:

- Costs saved = lower operating expenses = higher income
- Customers served = loyal customers = higher income
- New markets exposure = new customers = higher income
- Content provided = greater outreach = justification for higher budgets
- Contributions, sponsorships = higher income

No matter how you use your site, you must identify your financial goals. This is the first step towards increasing the profitability of your Web site.

### **You can't control what you don't know**

- If your organization wants to spend its Web budget wisely and make money from the site, you need to figure out how much money it is making and saving.
- If your organization wants to make more money from the site, you need to figure out the best way to bring visitors to the site and how to help them find what they need.
- Without knowing how much your site earns or saves, and how to bring visitors to your site and keep them, you risk thousands of dollars in an unfocused hope that a new design, new content, or new functions will make the site a contributor to your organization's profitability.

### **You can increase your site's profitability by paying attention**

Evaluate how your Web site is doing. Set specific goals and measure performance against those goals.

### **Web site measurement is the key to understanding what is occurring on your site**

Good measurement gives you information that you can use to make decisions on how to improve your site.

### **You need the right tools for the job**

The goal of this guide is to help you boost your site's profitability. To do this, you will learn how to use site measurement tools and methods that will give you the data and insight you need as the basis for your site strategy.

### **This isn't rocket science!**

You don't need to be a statistician, a marketing guru, or a techie to learn more about measuring the effectiveness of your site. Of course, if you have any inclination towards these skills, that won't hurt you either.

The information in this guide will enable you to determine the best options for your organization and staff to get started on getting more out of your Web site.

