



# Two performance metrics that every marketing decision-maker should know

By Milena Mitova

## Are landing pages really that important?

A couple of months ago, a marketing executive asked me about the importance of landing pages and how they contribute to the success of a campaign. My answer was that they can pretty much make or break a campaign, so their performance needs to be monitored and optimized at all times.

I used an actual eBook download campaign I have been working on to demonstrate that you can be great at generating traffic to your landing page and still fail if the visitors are not convinced by its value proposition. If you are running a stream of highly engaging tweets, pay-per-click ads, and LinkedIn posts, and are able to get thousands of visitors, who leave without giving you their contact info, your campaign might end up being a monumental waste of effort, because you won't be able to meet your objectives.

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*“On the Internet, a high bounce rate is the kiss of death — and a sure sign that your website and marketing strategy need a major overhaul.” - Elisha Hartwig, Mashable.com*

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To illustrate what I meant, I shared a screen grab from Google Analytics, where the exec could see that despite the great number of visits, the landing page I was using as an example had a whopping 90% bounce rate. And just when I was about to pat myself on the back for being able to “drive the point home” so well, to my utter and absolute dismay, that executive said that he is actually very pleased to see these results, because they mean that 10 out of every 100 visitors will stay on the page, which is actually a pretty good number.

I admit, that moment left me speechless for a while, as I was grappling for words, trying to think of what to say next. But it also allowed me to take a step back, re-evaluate the situation, and understand where the gap was coming from. That digitally focused campaigns have delivered great results, which cannot be achieved with traditional media, is clear to everyone. Organizations will continue to invest in digital, because technology not only enables us to build more and more amazing online campaigns; it also empowers us to both see how these tactics are performing in real time and continually improve their quality to get higher returns on our investment.



But if you are a busy senior decision maker, whose daily top-of-mind KPIs seem to be quite different from the digital ones, how do you spot the gaps without spending hours to search for them, how do you find a fast rule-of-thumb way to tell if your team is maximizing your marketing dollars?

How do you sort your way through the dozens and dozens of metrics out there so you can focus only on the key few that matter the most?

Here's a really quick way to gauge both campaign sustainability and the quality of your digital team's work and it only requires you to understand these 2 metrics - **Bounce Rates & Conversion Rates**.

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*"Conversion rate is by far the biggest indicator of whether or not our efforts, as a marketing agency, are successful." – Sarah Helmi, CEO of Tribu*

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Let me show you how these metrics work and why they matter the most. To do that, I will use **C.P.E.** – in other words, I will give you context (**C**), relevant points of reference (**P**), and an example (**E**) you can relate to, so you can quickly understand what to look for.

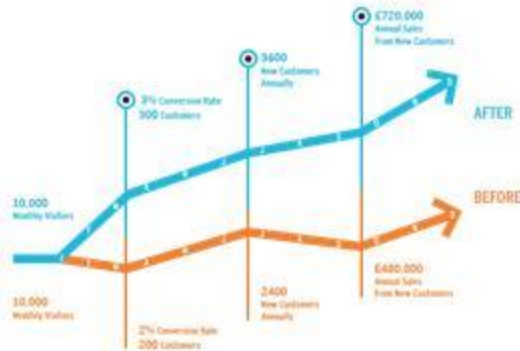
## What is a Bounce Rate and how it helps identify campaign gaps (Context)



The bounce rate of a campaign's website (a.k.a. landing page) shows you how many people landed on the page and then exited without doing or giving you anything, whether it's a click to another page, or a response to a call to action. 90% bounce rates indicate that 9 out of 10 visitors left your page without taking any action. Why is this metric so important - because it is a **quality indicator that measures how effective your**

advertising (tweets, paid search, etc.) is in driving the right traffic and how effective your specific campaign is at “resonating with visitors”.\*

## What is a Good Bounce Rate (Point of Reference)



As Elisha Hartwig of Mashable.com puts it: “On the Internet, a high bounce rate is the kiss of death — and a sure sign that your website and marketing strategy need a major overhaul.”\*\*

RocketFuel provide a more numbers-focused approach, elaborating that “Anything under 40% that’s not the result of a broken GA [Google Analytics] installation is excellent, and indicative of a well built, professionally designed website that is meeting its users’ needs.”\*\*\*

A targeted landing page, optimized for social media or paid search, is considered to perform well when its bounce rates are on average between 50% -65%, although these numbers could vary depending on your industry. As a rule of thumb though, anything over 70% is “disappointing for everything outside of blogs, news, events...”\*\*\*

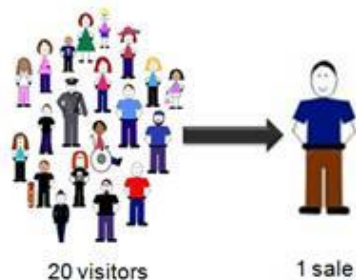
So if your team is driving steady, high intent event registration traffic from Search, LinkedIn or Twitter and your bounce rates end up being 90%, that means you have a problem – either your ads, tweets and posts are misleading visitors or your page is killing your campaign. If you have time to delve more into the why-s and how-s of landing page issues, here is an excellent blog that showcases [21 reasons why a landing page could be undermining a campaign's success](#). The good news is that the article also offers abundant advice and guidance on how to address each issue, so it is a really good read.

Now that I have covered bounce rates, let me go over conversion rates.

## What is a Conversion Rate & how it affects a company's bottom line (Context)

**CONVERSION RATE=5%**

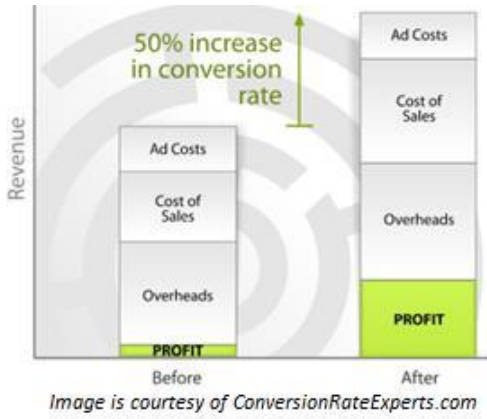
Calculating conversion rate:  $1 \text{ sale} \div 20 \text{ visitors} \times 100\% = 5\% \text{ CR}$



A campaign’s landing page conversion rate shows you the percentage of time page visits have turned into leads, contacts, or sales. In other words, it calculates how many people performed the main action you wanted them to take (i.e. fill out a form or make a purchase). A five percent conversion rate means that the page is able to convert 5 out of every 100 visitors who land on it.

To explain why conversion rates are so critical for digital marketing, Sara Helmy, CEO of Tribu, says: “Depending on the

campaign, a conversion can be the number of people who filled out a contact form, made a purchase, clicked on an email or signed a petition — whatever action leads to accomplishing the overall goal. Conversion rate is by far the biggest indicator of whether or not our efforts, as a marketing agency, are successful." \*\*\*\*



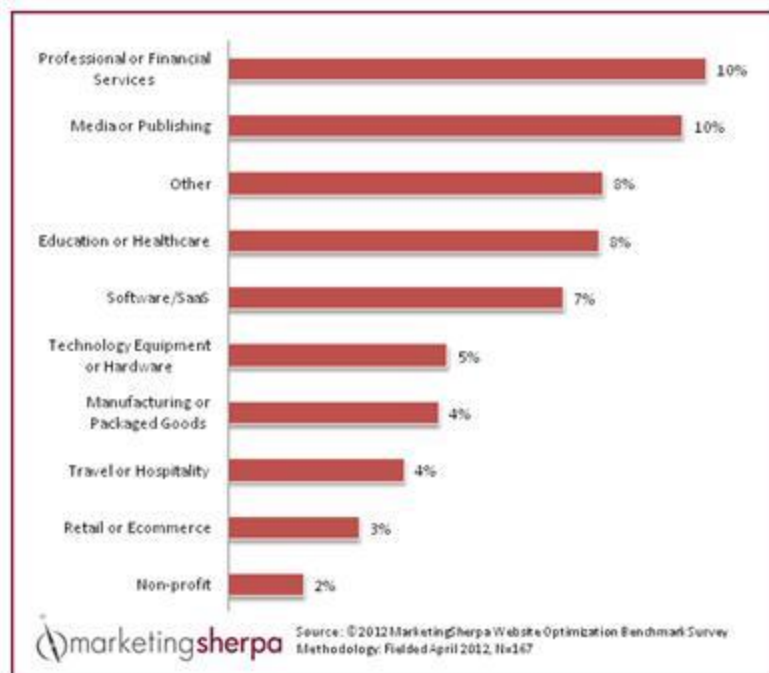
ConversionRateExperts.com take a step further and establish a direct link between this key digital metric and a company's **bottom line**:  
 "Conversion rate optimization makes financial sense—because your profit is surprisingly sensitive to your conversion rate... a modest increase in conversion rate—say 50%—can have an enormous effect on a company's profit". \*\*\*\*\*

### What is a Good Conversion Rate (Point of Reference)

An average conversion rate of 4% - 6% is generally considered good, although WordStream's CTO Larry Kim would be the first to ask you "Do you want to be average, or do you want your account to perform exponentially better than others in your industry?"\*\*\*\*\*

He will also tell you this: "If you're comparing yourself to the average across all industries, you're really deluding yourself into thinking you're doing better than you are. In truth, the top 10% are doing almost five times better." \*\*\*\*\*

Here are a few Conversion Rate averages, based on a 2012 report from Marketing Sherpa:



Bounce rates work together with Conversion Rates to showcase how well a campaign executes a company's marketing & lead/sales generation strategy.

The two metrics serve as a great proxy to any elaborate analytics report, giving you instant "rule-of-thumb" assessment of the quality of any online campaign and its ability to achieve the goals you have set. Here is how to use these metrics to assess if your digital campaign is going to be a "success" or a "mess":

## The Bounce & Conversion Rates Litmus Test (Example )

Let's say your team is running a month-long Twitter campaign to collect registrations for an event. Your goal is to get 50 registrations.

- Your campaign tweets garner 50,000 views a day. Of the people who have viewed the tweets, 100 on average will click through to your campaign landing page.
- This means that in one month, you can expect  $30\text{days} \times 100\text{visits} = 3,000$  visits to the page from Twitter.
- If your registration landing page Bounce rates are 90%, this means that 2,700 people will leave your event page without taking any action.
- You will be left with 300 people, who will be interested enough to stay and review your offer.
- Of them, some might be too high up in the funnel, not ready to book a seat at your event. They might click on a few other links, watch your video, request a brochure, click through to your main site, or just review all you have to offer, but they won't fill out your form.
- And then, there will be those who are ready to attend your event. They will respond to your main call to action and will sign up/fill out your online form.
- If your page has a 4% Conversion rate, this means that  $4\% \times 300 = 12$  people will register for the event.
- This also means that you won't be able to achieve your goals unless you fix things by: reducing Bounce rates, increasing Conversion rates, or bringing in more traffic.

Let's see what happens if everything stays the same, but the bounce rates drop down to 50%.

- In this case, with the same traffic volume, you will get  $50\% \times 3,000 = 1,500$  people who are willing to consider your offer and at the same conversion rate,  $4\% \times 1500 = 60$  who will register for the event.
- You will exceed your goal by 20% without the need to invest in driving extra traffic or increasing conversions.

Alternatively, if your bounce rates stay the same, you will need your conversion rates to be at 17% so you can reach your target.

Understanding bounce and conversion rates and how they work is easy. While nothing can replace a well defined analytics report, coupled with well-outlined intelligence, recommendations, and a sleek Power Point, every marketing decision-maker should be able to use these two metrics. Knowing what they mean and how to apply them, while the campaign is running, not after:)), is a great and effective way to ensure your marketing efforts will be a success and your team will be able to achieve their marketing objectives on time and on budget.

## List of references:

\* [How to Lower Your Bounce Rate](#) by Elisha Hartwig

\*\* [How to Lower Your Bounce Rate](#) by Elisha Hartwig

\*\*\* From RocketFuel's Blog: [What's the average bounce rate for a website](#)

\*\*\*\* "[Marketing 101 – The Importance of Conversion](#)" by Lauren Drell

\*\*\*\*\* ConversionRateExperts.com: "[Fine reasons to get obsessed with conversion rate optimization](#)"

\*\*\*\*\* "[Everything You Know About Conversion Rate Optimization Is Wrong](#)" by Larry Kim