Understanding Conversions: Reading Analytics 101

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You may have heard the term "conversions" thrown around a few times, if you've done any research on digital marketing. If you work in the digital marketing field itself, you've likely heard it more times than you could count. But that's for good reason.

At the end of the day, conversions are what digital marketing is all about. Understanding conversions, how they work and how to use their data is critical to any successful digital marketing efforts. It's also much easier than you may think.

Before we get into how to set up conversions and form a conversions strategy, let's go over some of the basics.

Understanding conversions: what is a conversion?

In the world of digital marketing, a conversion is any action which a visitor takes on your company's website or app.

Google divides conversions into micro and macro conversions. A macro conversion usually involves a transaction. For example, a macro conversion on an e-commerce website would be making a purchase. On a content-based site, it would be a subscription.

Image courtesy of Negative Space from StockSnap.

Micro conversions, on the other hand, are the small actions that bring a user closer to making a macro conversion. This could be something like signing up for a newsletter or creating an account on your website.

How do conversions work?

The first, and most important, part of understanding conversions in Google Analytics is knowing that they are user-defined. That means that you or your digital marketing professional must establish which conversions are important and manually set up tracking for those markers.

Conversions in Google Analytics work through a tracking code that you install your website. That code follows users through their site experience and records when they take those actions you define as conversions. These actions are then reported to Analytics automatically.

This data will show up in your Analytics dashboard in the Reports section (the last item in the list under Behavior). If you click that tab before defining any conversions or installing tracking codes, you will not see any data.
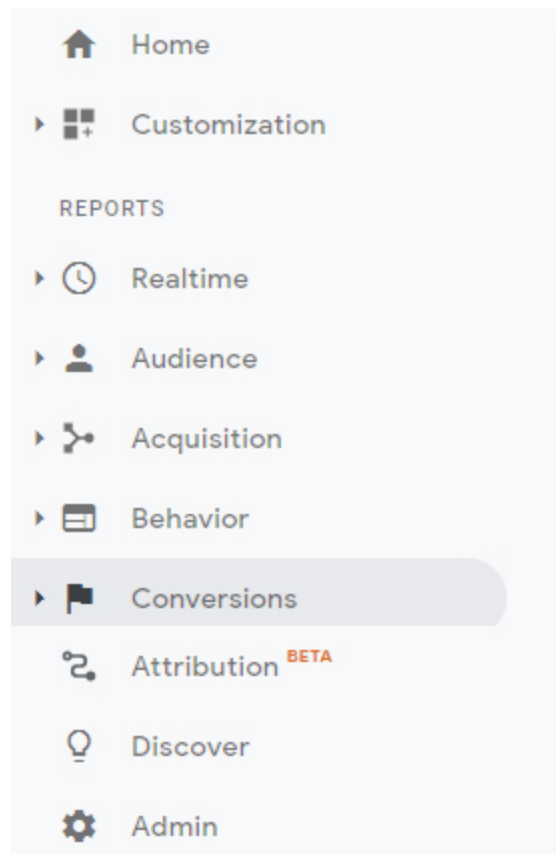
Image courtesy of David Straughan/Google Analytics.

Understanding Why And How to Use Conversions Data

So why should you take the time to set up conversions and analyze the data? After all, if the end goal is sales, that's the most important metric, right?

Conversions data allow you to gain insight into the customer experience. They provide a map of customers' journeys, showing where they became more engrossed in the site experience and, more importantly, where they lost interest.

Image courtesy of Negative Space from StockSnap.

Let's say, for example, that you set up conversions trackers to let you know when users have added items to their shopping cart. Then you also track when those same users make a purchase.

Upon analyzing the data, you might see that there's a serious drop-off between users adding items and users completing a purchase. That disparity tells you that many customers got up to the point of purchase but then decided not to.

Analyzing purchase data alone won't show you this insight. But if you have this specific data in front of you, you might review your site to see what's stopping people from completing their purchase journeys.

Maybe your shipping is too expensive, and you need to bake that cost into your products' pricing to make it seem lower. Perhaps you can consider offering a discount code to first-time buyers to entice them to make a purchase.

Understanding conversions data gives you valuable insights into where you can improve your online experience and make it more functional and more profitable for your business.

This article about understanding conversions is part of our ongoing Reading Analytics 101 series. If you're new to the series and digital marketing, take this chance to learn some key terminology and how to understand the Audience Overview to gain some background

knowledge.

Whether you're looking for vintage second-hand items or fresh designs right off the rack, there is a multitude of businesses to purchase your wardrobe from in North Carolina. We've gathered a list of 25 Black-owned businesses where you can find your clothing and accessories while supporting the African American community.

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