



# How to Optimize Your SaaS Growth With Kissmetrics

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As a SaaS marketer, you have a pretty busy job. There are product releases to promote, case studies to write, landing pages to create, budgets to plan, and so much more. All these projects you work on everyday come back to your singular objective - acquiring leads and customers. And for many company's, leads have become ubiquitous. So it's now the marketer's job to continuously deliver quality leads to the sales team.

To put it simply - the company's performance depends on how well your marketing campaigns perform.

This is a tall task - and a big responsibility. But when taken apart, as a SaaS marketer, you really have two jobs:

- 1. Building awareness and interest of your offering** - You have to get eyeballs in front of what you offer. For most online marketers, this means qualified traffic to your site.
- 2. Closing the deal** - You're not really doing customer acquisition if no one is signing up and purchasing from you. To do the job 100%, you need to bring people in and close a certain percentage of them (without extra budget).

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Now that you know your role, you need to find tools that will help you succeed. There are really two approaches to customer acquisition - you can do it blindly or you can use data to help guide and refine your strategy. We recommend the latter. Here's why:

- Data is based on fact. It tells you what happened and how something is performing. It's not conjecture or someone's opinion. It is fact. For example, using data you'll know how you should allocate your ad dollars to specific campaigns.
- Data-driven companies have been shown to [outperform their competitors](#). Companies that rate themselves substantially ahead of their peers in their use of data are 3x more likely to rate themselves as substantially ahead in financial performance
- Data-based marketing is the future of marketing. Organizations that are leaders in data-driven marketing [report far higher levels of customer engagement and market growth](#) than their laggard counterparts.



# SO, WHAT TOOLS PROVIDE YOU WITH INSIGHTFUL DATA?

One of them is Kissmetrics. If you have this PDF then you've already heard about us. But you may not know what we do.

In short, Kissmetrics is an analytics and conversion platform that empowers marketers to make the best data-informed decisions. Kissmetrics contains reports that you can use to see how your campaigns perform, find who your best customers are and figure out you can find more of those customers.

This guide contains two articles that outline how Kissmetrics can help you succeed at customer acquisition. You certainly don't have to read the entire guide - feel free to skip around or only read one article. The table of contents is below.

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# HOW TO TRACK THE EFFECTIVENESS OF MARKETING CAMPAIGNS

SaaS marketers have dozens of campaigns running at any given time. A couple paid channels, drip campaigns, a few A/B tests, and maybe some offline promotions. It can be tough to manage all this on top of an already busy schedule. Thankfully, Kissmetrics is here to help.

## THE TYPICAL DAY OF A MARKETER

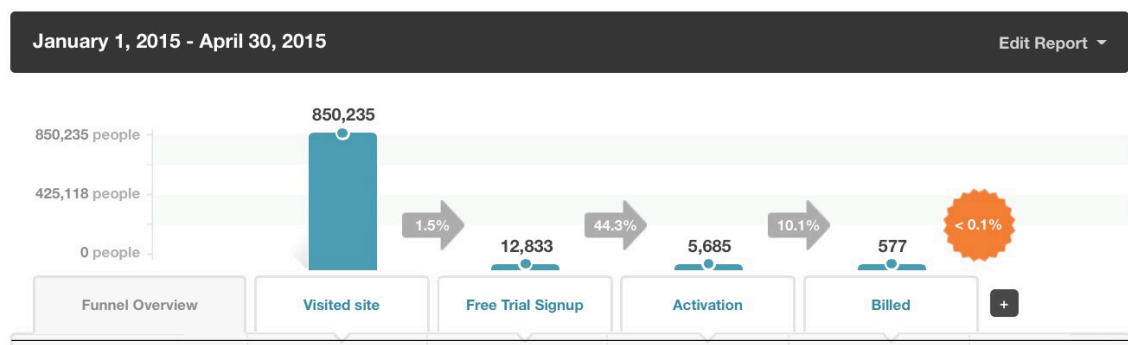
Meet Jan, the Director of Marketing for a medium-sized B2B SaaS company. Jan has a busy job with lots of responsibilities and goals to meet. She has a few meetings every day, gets dozens of emails, and is under constant pressure to deliver more signups. With each month that passes, she has more and more signups she needs to deliver. To help drive traffic and signups, Jan is running a few campaigns:

- Two Facebook ad campaigns
- A large AdWords budget
- A strong social presence, with traffic coming from Facebook and Twitter
- A YouTube ad campaign

To help track the performance of these campaigns, Jan uses Kissmetrics. There are multiple reports that help her, but today we'll focus on the Kissmetrics Funnel Report.

## USING THE FUNNEL REPORT TO TRACK ACQUISITION

Let's say it's the end of April and time for Jan to review how her marketing campaigns have performed year-to-date. To start, she'll use the Funnel Report to get a bird's eye view so she can track the effectiveness of each campaign.



This funnel has strong performance at the top (lots of people visit the site) but it ends up with less than 1% of the visitors converting to customers. Certainly room for improvement - and this is where Kissmetrics can help Jan see what's working and what's not.

## USING CHANNELS TO TRACK CONVERSIONS FOR EACH CAMPAIGN

To help Jan understand how her marketing campaigns are performing, she tags all URLs with a UTM code, which Kissmetrics automatically grabs. For example, one of her Facebook ads looks like this:

```
www.example.com/?utm_source=facebookad&utm_medium=socialfacebook&utm_campaign=facebookfreetrial1
```

This sends visitors to the homepage, but the snippet after ".com" allows Jan to track the specific campaign. Each "utm\_" is called a parameter. These are used to categorize ads and traffic sources. Jan can use them to track each campaign. There are five parameters to use, and Jan uses the [URL builder](#) to create these URLs.

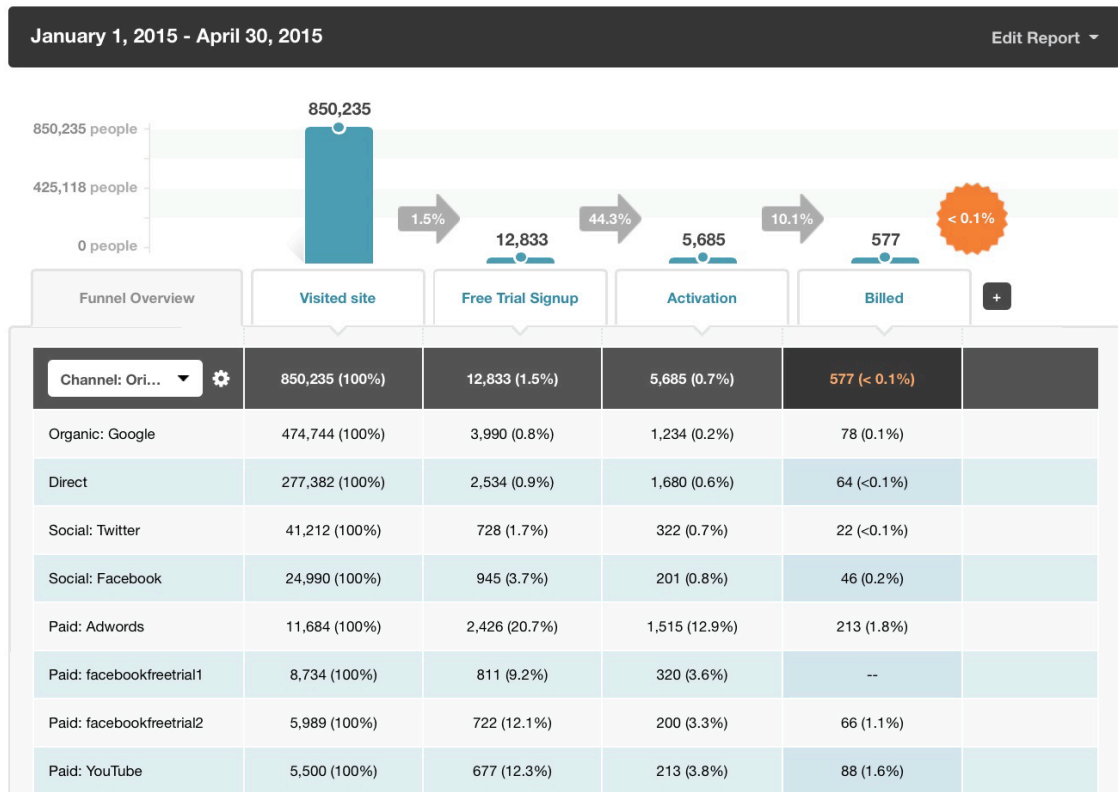
Now here's the best part. The Kissmetrics Funnel Report allows Jan (and all Kissmetrics customers) to segment her traffic by any campaign parameter. Kissmetrics also automatically categorizes all these traffic sources into channels. There are seven channels:

- **Direct** – These are people who come from a direct referrer. In many cases, these are people who come to you directly by typing your URL into their browser.
- **Organic** – People who come to your website via a search engine are included in this channel. Also, people who set up a UTM parameter and have the utm\_medium as "organic" or "search" will be put in this channel.
- **Referral** – This channel is for those who come to your site via a third party that isn't a search engine or social site. If they aren't from those referrers, they'll be put in this channel.
- **Email** – People who are referred via an email campaign with the utm\_medium as "email" or "e-mail" are put in this channel.
- **Paid** – This channel includes people who come from a paid campaign. They'll be put in this channel if their referring URL has the gclid parameter or a utm\_medium of "cpc," "cpm," "display," "cpv," "cpa," "cpp," or "ppc." When the [gclid parameter](#) is used, Kissmetrics will know it is from AdWords.
- **Social** – These are people who come from a social network. We have a list of 276 domains and subdomains for such networks. If any visitor comes from a network on our list, they'll be put in the social channel. Also, people who come from a campaign URL with the utm\_medium of "social," "social-network," "social-media," "sm," "social network," or "social media" will be put in this channel.
- **None** – People who don't fit into any of the above channels will be put into the None channel.

It's possible to dig further into channels by using Channel: Origin. This will display the channel and the original referring domain or campaign name parameter. For example, if a person came from an AdWords campaign, the Channel: Origin would be Paid: AdWords.

Since Jan has tagged all her campaign links with a campaign name, she'll be able to see how each is performing along the funnel.

To view how every campaign is performing, she'll segment her funnel by Channel: Origin:



This data shows Jan a few important things:

- The bulk of **traffic** is coming from Google and Direct.
- The bulk of **customers** come from Paid channels.
- One Facebook ad has brought over 8k visitors, but zero customers. It's time for Jan to remove this ad.
- All ad campaigns (with the exception of facebookfreetrial1) are performing above average. AdWords is particularly strong. In order to find out if this is delivering profitable returns, Jan will need to look at what she has spent on the campaign to see if it's a cost-effective channel. She can do this with every campaign.
- The more targeted traffic Jan can get, the better. Not surprising.

## HOW YOU CAN GET THESE INSIGHTS

This kind of analysis and marketing channel breakdown works right out of the box in Kissmetrics. There are no rules needed or custom code to be written. Just install Kissmetrics on your site, and you'll see how each marketing channel is performing. Kissmetrics will automatically pick up any UTM's you have coming in. In the next article we'll see how you can use other Kissmetrics reports to see how each of your marketing campaigns affect conversion and retention.



# HOW TO FIND OUT WHAT MARKETING CAMPAIGNS ARE THE BEST FOR ROI & RETENTION

So we know what marketing campaigns bring customers in, but what about ROI? This article will outline how you can use Kissmetrics to track ROI and retention.

What marketing manager wouldn't want to see exactly how their campaigns impact ROI? The better you understand what works, the more likely you are to deliver the growth your company needs to reach the next level.

## REVENUE REPORT (TRACK ROI)

Raw sales numbers are great, especially when you're tracking campaign effectiveness. But, to really judge campaigns, we'll need to know how much revenue they've brought us. For that, we'll use the Kissmetrics Revenue Report. This report gives a graphical overview of revenue and allows marketers to breakdown revenue into segments. One of the segments we can choose is Channels, which we previously discussed.

As a reminder, here are the seven channels people can be grouped into:

- **Direct** – Visits from direct referrers, typing the site into the browser, or bookmarks
- **Organic** – Visits from search engines
- **Referral** – Visits from 3rd parties
- **Email** – Visits from emails
- **Paid** – Visits from paid sources
- **Social** – Visits from social networks/sites
- **None** - For those that don't fit in any of the above criteria

To track the money we've received from each channel, we'll load the Revenue Report and sort people by first ever Channel:

Channel	Total Revenue	Avg Revenue/Person	Lifetime Value	Paying Customers	Total Churn
Direct	664,772.07	25.85	738.57	25,714 people	3.5%
Paid	497,302.66	24.56	430.87	20,244 people	5.7%
Email	173,038.27	16.33	320.19	10,590 people	5.1%
Social	87,650	21.17	470.44	4,140 people	4.5%
None	53,236	14.28	269.43	3,727 people	5.3%
Organic	29,874	15.51	250.16	1,925 people	6.2%
Referral	9,800	11.69	365.31	838 people	3.2%

One of the strongest channels here is Direct. It brings in a lot of customers and revenue, has a low churn rate, and a high lifetime value. Paid is another solid channel. It brings in a lot of customers and has a good lifetime value. We'll have to look at what we're spending to know if this is a profitable channel for us. Email also has a large customer base that brought revenue in the six figures during our date range. Since it's a low cost channel, we'll continue to work on getting more subscribers on board. The other four channels bring us solid revenue and a healthy dose of customers. Social brought over 4,000 customers during our time frame. This is a good channel for growth.

Referral has brought the least amount of money and has a low average revenue/person metric, but it has strong lifetime value due to its low churn rate. If we can get more quality backlinks, this channel has the potential to become a better performer.

## COHORT REPORT (TRACK CUSTOMER RETENTION)

So now we have revenue data, but what about retention data? Acquiring customers is great, but to build a sustainable business we need customers that stay around, use the product, and renew when the time comes. What we need is a report that can help us customer retention. Enter the Kissmetrics Cohort Report. As a SaaS company, it's critical to get consistent engagement across your user base. To measure engagement, many SaaS marketers view login retention. This measures how often people are logging in to use the product.

We'll run a Cohort Report looking at login retention for each channel. We're grouping people based on the channel they came from, and then tracking their login retention.



This is how long it took people who **Logged In** to come back and do **Logged In** between **Jul 1, 2014 - Dec 31, 2014**

Logged In		Logged In again by Weeks												
Property	People	1	2	3	4	5	6	7	8	9	10	11	12	> 12
Direct	2,832	57.6%	24%	18.5%	16.8%	14.7%	12.9%	11.3%	10.3%	9.3%	9.1%	8.6%	7.4%	17.7%
Email	2,721	56.8%	21.7%	15.5%	13.8%	12.2%	10.3%	9.9%	8.3%	6.9%	6.1%	5.2%	5%	13%
Paid	1,340	62.3%	23.8%	18.6%	14.5%	14.3%	12.5%	11.4%	11.6%	7.7%	8.4%	6.8%	8.6%	15.6%
Social	1,296	62%	31.6%	16.5%	21.5%	15.2%	10.1%	15.2%	12.7%	15.2%	8.9%	10.1%	7.6%	22.8%
Referral	930	57.6%	23.7%	16.9%	15.3%	13.6%	8.5%	11.9%	13.6%	11.9%	10.2%	6.8%	5.1%	10.2%
Organic	871	63.6%	20%	14.5%	16.4%	18.2%	7.3%	9.1%	3.6%	7.3%	3.6%	9.1%	5.5%	18.2%
None	555	38%	8%	4%	2%	0%	0%	2%	0%	0%	0%	2%	0%	0%

In every channel, about 55-65% of customers logged in again within the first week of our set date range. That drops off in the following weeks; but after 12 weeks, we see that about 10-23% of customers logged in again. There's a lot of parity with these campaigns, but the best ones for repurchases are Direct, Social, and Organic.

Of course, you're not limited to login retention. As a marketer, you may also want to track:

- The customer segments that are less likely to churn. Are customers coming from your AdWords campaigns have lower churn rates than those coming from retargeting? Does different messaging impact churn? You can use the Cohort Report to find this out.
- Signup rates across time. See how long it takes visitors to signup by setting the Cohort Report look at the people that visited your site then signed up. Some segments may signup right away, while others take weeks or months.
- Signup to activation rates. For most SaaS companies, there is a bridge that needs to be crossed after a user signs up. Once that is done, they need to start using the product. Perhaps customers from some channels or campaigns perform higher than others.

## THE THREE TAKEAWAYS TO REMEMBER

Prefer the TL;DR? Here it is:

- UTM's allow you to track campaigns – The Kissmetrics JavaScript will automatically pick up and store any UTM's you have in your URLs. You can build UTM's using Google's [URL Builder](#) and track them in Kissmetrics.
- Use the Revenue Report to track ROI – This report shows you how much money you've received from each campaign. The amount is especially useful if you know how much you're spending on each campaign, because you'll have a better idea of which campaigns are profitably bringing you growth.
- Use the Cohort Report to track customer retention – To thrive, SaaS companies need customers to stay as customers. To track how well you're doing in these retention efforts, you can set up and track login retention (and a lot of other valuable data) in a Cohort Report.

Also, with all these reports, you'll be able to compare your campaigns against each other in Kissmetrics.



# USE KISSMETRICS TO TRACK, ANALYZE, AND OPTIMIZE YOUR ONLINE MARKETING

You've just seen how Kissmetrics can help SaaS marketers find and attract the most valuable customers. But, there's even more to Kissmetrics than what we went through in this guide.

The People Search is like a search engine for the people who have visited your website. Find people who took specific actions on your site. For example, using People Search you'll be able to find all the people that came to a landing page but did not order. Or, if you're using MailChimp, you can integrate with Kissmetrics and find the people that opened an email but didn't click through.

The A/B Test Report allows marketers to test any part of the funnel - you aren't limited to the next conversion step. See how a headline test impacts your entire funnel. This can answer questions like: *"How did the A/B test for a homepage design impact eventual signups?"*

The Power Report helps you answer the "what if" questions that would have previously gone unanswered. There's no technical knowledge required, and no SQL queries to run.

The Path Report shows you all the ways customers move through your website. It can help answer questions like: *Which channels are the best for driving discovery and signups?*

Engage optimizes every interaction on your website. Create notifications, lightboxes, announcements and other Engagements in minutes, and drive conversions on every single page of your website.

Request a personal demo today to see how you can use Kissmetrics to optimize your marketing.

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