

BuildDirect increased sales 50% using Google Analytics.



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Dan Brodie
Director, Operations



ABOUT GOOGLE ANALYTICS

Google’s web analytics service enables advertisers and publishers to make their marketing campaigns more efficient and their websites more effective. Advertisers can increase their return on investment by optimizing online marketing campaigns, tracking referral sources, improving web design and content, and identifying visitor preferences. Google Analytics’ intuitive interface makes it easy to segment customers, identify top performing ad campaigns, and understand user preferences.

For more information, visit www.google.com/analytics.

Business

BuildDirect purchases products directly from manufacturers and sells to buyers anywhere in the world. Founded in 1999 and based in Vancouver, B.C., Canada, the company has quickly become the world’s leading online merchant wholesaler and speciality retailer of building products. BuildDirect does business in 40 countries on six continents with a portfolio of products in flooring, roofing, siding, decking and countertops. Orders consist of container quantities shipped to ocean ports or inland terminals and pallet quantities shipped to any postal code or zip code address in North America. In 2004, Profit magazine ranked BuildDirect as the second fastest growing company in Canada.

Since BuildDirect is an entirely virtual organisation, it has a tremendous advantage over traditional trading houses in terms of larger volume and lower overhead. The company credits much of its success to savvy use of online marketing and advertising.

Challenge

Though the company was growing rapidly, management was eager to improve the efficiency of its online spending, especially with a marketing budget that approached £500,000 per quarter in the first years of operation.

BuildDirect had a good marketing mix that consisted of a combination of search engine advertising, email newsletters and online website customer signups. The challenge was to improve performance through better tracking of which tactics worked and which ones did not.

In 2004, BuildDirect turned to Google Analytics to replace an existing analytics package. In a matter of months, Dan Brodie, Director of Operations says that they could see that their email marketing channel was not converting as well as they would have liked. Nor were they getting sufficient value for their spending on third-tier search engines for traffic that converted poorly.

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Results

Web analytics are essential for any online company and they have been key to dramatically improving our operation, says Brodie. Using Google Analytics, he was able to see which ads were working and how effective newsletters and site design were in driving sales. “Our online sales volume has increased 50 percent - all without any-one picking up the phone. This is a tribute to BuildDirect’s continual site design and market testing, as well as the actionable information Google Analytics provides”.

With Google Analytics, we learned that many of our search engines were not delivering sufficiently targeted traffic, says Brodie. “Higher visitor volume is great, but we needed to focus on conversions traffic that leads to sales”, he adds.

Better results from search advertising

BuildDirect focused advertising spending on the top search engines and immediately saw conversions increase by 37 percent, even while reducing its overall search marketing budget by 33 percent. The company has since increased its search ad spend on high-converting sources and continues to maintain very strong conversion rates.

More effective email advertising campaigns

In addition to improving search advertising, BuildDirect was able to judge the effectiveness of email campaigns designed to drive traffic to their site. Even though the company had purchased email lists of “confirmed-interest” home renovation prospects and sent 600,000 to 800,000 emails at a time, the ROI was still low due to a low conversion rate. After using Google Analytics for campaign monitoring and tracking, BuildDirect doubled its email marketing conversion rate. “Once we began using Google Analytics cross-segment performance analytic tools to identify our customer demographics, we were able to design specific creative tailored to our buyers”, says Brodie.

Improved customer engagement

By using Google Analytics Marketing Optimisation reports, BuildDirect found that sample purchases were a powerful way to drive more sales. “Home buyers who purchase a sample have a 60 percent likelihood of returning to the site within the next 30 days and placing a full order”, says Brodie. In addition to tailoring the message to each customer segment, BuildDirect uses Google Analytics A/B testing capabilities to perfect its marketing approach. “We test different versions of creative on each newsletter and track results using Google Analytics, so we know the open rates, click-through rates and conversions for everything we try”.

Streamline site design

Finally, BuildDirect was able to optimise its website design based on Google Analytics report data. “Using the Google Analytics Site Overlay and the Defined Funnel Report, we found we were losing almost half of our customers on the three-stage process between cart and payment confirmation”, Brodie says. “We reduced this process to one step. By simplifying to a single page, we increased sample orders by 100 percent and expect that to contribute to a significant revenue increase within a few months”. BuildDirect will continue to test and monitor online marketing programmes with web analytics. “Before Google Analytics, we basically guessed how we should be spending marketing pounds. We now know how much campaigns pay off and how well they work”, Brodie says. “Google Analytics has had a huge positive impact on our business”.

