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Case Study

Allrecipes Uses Metrics Tracking to Increase Ad Sales 40%

SUMMARY: Are your Web site metrics reports either so "lite" or so vastly detailed that they are close to useless? Get inspired by this Case Study of a site that improved their metrics and as a result grew visitor satisfaction and ad sales to big famous CPGs.

CHALLENGE

Like the perfect souffle, Allrecipes has risen to the top of the food site rankings. It's the classic community success story, with its core content a database of visitor-submitted recipes attracting millions of monthly visitors.

VP Marketing Esmee Williams and her colleagues have developed three different revenue streams from the site.

1. Advertising: Mostly sponsorships, run-of-site, newsletter and keyword advertising, and a little couponing.

2. Publishing: A series of self-published and co-branded cookbooks.

3. Subscriptions: Online cookbooks sold on an annual subscription basis, a recipe club in partnership with eDiets, and, most recently, a nutrition-based meal planner ("Nutri-Planner") targeted at people with a keen interest in the topic, such as diabetics and those with heart problems.

It is still ad sales, and particularly sponsorship sales, that make up the bulk of revenues. It is not just the general state of the ad market that makes that a challenge.

To attract sponsors, Williams needs to aggregate targeted audiences. And to do that, she needs to understand visitor behavior and use that understanding to funnel them to the right places.

That kind of info is buried in logfiles, but because Allrecipes is a front-end for more than 20 themed mini-sites, getting actionable metrics proved impossible back in early 2000, when the team were looking to scale up their sponsorship revenue.

Williams says, "Processing the logfiles was so time intensive that the info never actually got to marketing. We had all this data but it didn't mean anything to us. We'd got so much information that we were tracking across so many different sites. It really became a beast."

CAMPAIGN

The first step they took was to deal with the lack of metrics. In summer 2000, they started exporting their daily logfiles to the digiMine remote service which processes the raw data and makes interactive metrics reports available online.

Williams says, "We're basically using it for tracking user behavior; who's coming to our site and what they're doing when they're there."

"We've got two things we worry about here, our consumer proposition and our (ad) customer proposition. They're pretty naturally intertwined. Those things that consumers find interesting - our customers want to market to them."

She has applied metrics insights to retain more visitors and channel them to themed areas of the site, then used those themes to attract more sponsorships.

-> Metrics value #1: Driving retention and channeling visitors

At the simplest level, Williams' team track pageviews to see which areas of the site and which specific recipes are most popular at a given time. They also review the keywords visitors commonly enter into the site's search form.

When it is clear that a particular recipe collection or ingredient is becoming popular, the team adjusts headline links and in-house creative to alert other visitors accordingly.

When the cookie recipe hub starts to pick up traffic in November, prior to the holiday baking season, it is that site that gets highlighted on the Allrecipes.com home page.

Often, the team draws on previous years' data to anticipate seasonal interest trends for the current year, so the appropriate headline links and in-house creative can be in place even before keyword or pageview peaks occur.

Keyword tracking is particularly useful for getting the timing right. Williams says, "Keywords are typically core ingredients so we can see what folks are looking for at different times of the year. We know exactly when the rhubarb crop comes in."

"When we see zucchini is becoming hot, we can start running appropriate banners and headlines, we can put zucchini-related recipes into our newsletters. That helps us with total pageviews but also with retention. We're able to anticipate people's needs or spark interest when they come to our

site."

The team also uses this knowledge to draw people deeper into the site by finding affinities for current interests.

Williams explains, "People might come in saying, 'oh I've got zucchini, let me find how I can prepare this for a side-dish.' Maybe they didn't realize that you can make zucchini bread, or pancakes, or cake. You can provide people with a lot of ideas that they may not otherwise have thought of."

Williams also defines "funnels" within the metrics reports, which show how visitors move through the site. This lets her find, for example, those hotspots where she can reach the most visitors at a time when they are most open to suggestions of where to go next.

She says, "We follow the flow through the site. We know just about everybody ends up looking at the search results or recipe directory results pages. There are these junction points that you know 90% of people are going to pass through at some point."

Such pages are then populated with in-house offers, such as pop-ups advertising a new book, newsletter sign-up forms, or links to important destinations (such as sponsored recipe collections).

The point is not to find popular pages, but to find those junctions.

Williams points out that everyone ends up at a recipe page as well, but tests have shown, "they're finished, focused, they don't want to go anywhere else. They're done."

-> Metrics value #2: Developing new content

The Managing Editor monitors the popularity of recipes and cross-references this with recipe characteristics such as nutritional value, cooking time, seasonality and core ingredients to identify new trends and interests.

This then guides the development of new editorial material and content hubs, i.e. themed recipe collections such as "Quick and Easy," which are at the core of the site's structure. (It also guides product development, such as new book topics.)

Aggregating themed content and encouraging more and deeper visits is not just about boosting page views and banner inventory though.

The more visits and views, the more scope for Williams to cut and slice that resource to fit the needs of potential sponsors. And new content hubs make great sponsorship opportunities.

Observing interest in Mexican-style recipes, for example, Williams' team rolled out a new "Mexican" recipe collection with sponsorship from Ortega, a Nestle Mexican-food brand.

-> Metrics value #3: Better overview of ad inventory

By necessity, Allrecipes uses a mixture of ad-serving solutions. Paid advertising goes through a third-party service. House ads are served internally, to avoid serving fees. Some remnant inventory goes through affiliate networks, and there is also an in-house solution for keyword targeting.

All of which makes it difficult for the ad sales people to evaluate the total amount of available inventory throughout the site. They use the metrics reports to get a good grasp of total pageviews at the site and where they are happening.

They then cross-reference this with types of banner sizes etc. to manage and forecast available inventory. This information feeds through into proposals for new ad campaigns and sponsorships.

-> Metrics value #4: Developing new sponsorship opps

An understanding of what visitors want, how to get them there and how much inventory is available lets Williams develop what's become the core revenue stream for Allrecipes, namely partner and event sponsorships.

A. Partner marketing

Beginning in fall 2000, her team began approaching packaged goods companies such as Hershey Foods Corporation about long-term sponsorships.

Ad sales staff contacted a potential partner to get a grip of their objectives (essentially who they want to reach and what they want them to do) and likely resource commitment. Then they sat down with a member of a dedicated partner marketing team to map out a custom sponsorship proposal.

Partner sponsors get their own branded, standalone content hub within the Allrecipes site, with appropriate recipe collections and editorial.

Williams explains, "The recipe of the day is a Hershey recipe, there's a list of top 10 Hershey recipes, you can search only Hershey-branded recipes. It's a little customized area where everything's Hershey."

The sponsor can also pick and choose from a menu of sponsorship options, such as sponsoring specific recipes or recipe collections, keyword sponsorships, newsletter sponsorships etc.

The metrics reports support proposal development and partner management by:

o Allowing Williams' team to predict visitor behavior and trends to make proposals that exploit likely consumer interests

o Allowing in-depth reporting to sponsors, typically monthly or quarterly reports on banner and link CTR, visits and pageviews, and activities undertaken by visitors exposed to the sponsor's messages.

o Identifying recipes and editorial that appeals to the target group (the team can segment out visitors in the reports using a range of criteria), so these can be incorporated into the proposal.

o Picking out those hotspots that Williams can fill with promotional messages to drive consumers to the sponsor's hub.

B. Event marketing

In earlier years, Allrecipes picked up a lot of questions from consumers looking for help for particular food occasions, primarily national holidays and events, such as the Superbowl.

As a result, the site developed a large amount of related editorial material. So much so that they started putting it into their own content hubs, with practical advice on entertaining, relevant recipe collections and similarly, rolled out whenever that holiday or event became current.

Naturally, such hubs were excellent aggregators of targeted traffic and thus a sponsorship opportunity. To make the opportunity truly attractive, Williams needed to drive visitors to an event hub and get them to stay there.

That is where the metrics reports came in, allowing the team to:

o Anticipate interest in a forthcoming event, so it can be promoted on the home page and newsletters in plenty of time

o Identify those recipes that peak in popularity at that time, so they can be pulled out and added to the event hub, and so that appropriate links can be added to those recipe pages.

o Place appropriate event-related promotional messages at the key navigational junction points.

Williams' sales staff approach each event on a case-by-case basis, offering an exclusive sponsorship package to companies with a clear topical match. Partners get first refusal, otherwise 3-5 months before the event begins, the team approaches new companies or previous advertisers where there is a likely match.

The sponsor packages depend on the event. Typically, the event pages use banners and text to associate it with the sponsor's name or brand. Then additional layers are added as required. These might be:

- Branded event promotions in the newsletters. Sponsor branding of those recipe pages closely associated with the event. Keyword sponsorships of those ingredients most associated with an event

Williams says, "The sponsor touches the customer multiple times in a session, and each time the messaging is relevant and contextual. It's a better consumer experience and they reach highly qualified traffic."

RESULTS

Compared with the 2001, partner sales increased 40% in 2002. Allrecipes was profitable for all of Q4 2002, and expects to achieve consistent profitability in 2003.

Williams comments, "Ad sales were a real positive given the economy. Most people lost ad revenues."

Other results and site metrics:

- Partner sponsorships began in November, 2000 with Hershey and Betty Crocker. This year, Allrecipes will have around 20 partner deals in place. Often potential sponsors will call the site first, especially if they see a major competitor on the site.

- The site runs 8-12 events a year and event sponsorships are more or less sold out.

- Monthly unique visitors varies between 4-6 million, depending on the season

- Site visits increased by some 25% over 2002. Since Allrecipes does not used paid advertising, Williams says the increase comes from a big jump in the proportion of repeat visits and type-ins, testament to their retention and word of mouth success.

- Pageviews increased by 38% over the same period. For example, the team were able to double pageviews at the Superbowl event hub by applying the insights available through the metrics reports.

- Ad revenues from standard sales of run-of-site banners, keyword purchases etc has also grown and contributes about 30% of ad revenues (the other 70% coming from integrated sponsorship/partnership sales).

With book sales also rocketing (these tripled in 2002 with one title alone selling 75,000 copies) Williams concludes, "it was a pretty phenomenal year."