

The Essential Guide to Choosing a Web Analytics and Online Marketing Solution

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Table of Contents

Why You Need to Evaluate Your Online Marketing Platform and Strategy	3
How to Use This Guide	4
Platform and Delivery Model	
Execute With a Robust and Flexible Analytics and Marketing Platform	5
Analytics	
Harness Data for Insights that Drive Performance	7
Social and Mobile Measurement	
Capitalize on Emerging Channels	8
Advertising	
Target Customers with Broad Scope and Precision	9
Personalization	
Build Customer Relationships with Greater Relevance	10
Multichannel	
Engage Customers Across Channels with a Single View	11
Service and Company	
Leverage Innovation and Services from Your Vendor	12
Conclusion	14
About Coremetrics®, an IBM Company	14

Why You Need to Evaluate Your Online Marketing Platform and Strategy

Web analytics has become the foundation for all successful online marketing efforts. Capturing and understanding the online behavior of customers, prospects, and browsers through web analytics is essential to acquiring and retaining business through such channels as personalized email, natural and paid search advertising, targeted display ads, social and mobile, on-site product recommendations, and more. As this guide outlines, the power and reach of today's web analytics technologies are vastly superior to the relatively crude clickstream data capture of 10 years ago.

Usage is growing in virtually every industry with a web presence. From retail to education, from financial services to travel and hospitality, from telecommunications to B2B software sales, organizations are striving to understand visitor behavior and capitalize on that information to drive revenue, conversions, and engagement. Deployments of web analytics technologies in the U.S. is expected to scale at 17 percent each year through 2014, according to independent research firm Forrester Research, Inc.¹

Many organizations are taking a hard look at the capabilities of web analytics and online marketing solutions to drive bottom-line performance by harnessing vast stores of online customer data as it changes over time. These organizations may be new to web analytics and online marketing and are assessing technological capabilities and the vendor landscape. Or they may have in place a free or entry-level offering and are looking for more robust capabilities to focus on such fast-growing areas as personalized retargeting, social media, and mobile commerce. Still others are assessing the long-term viability of the solutions they have in place.

It's critical that you select the right solution from the right vendor, particularly to future-proof your organization as capitalizing on online behavior becomes more and more important to your organization's bottom line. As you examine your online analytics and marketing objectives, it's useful to keep in mind several key factors:

Consumer behavior and the online landscape are changing rapidly. Most recently, the mobile and social channels have skyrocketed in importance beyond what anyone could have anticipated two years ago. For instance, in the peak holiday shopping month of December 2010, the percent of site visits from mobile devices leapt 19 percent from just one month earlier, according to Coremetrics Benchmark™ data. Analysts expect mobile to continue growing rapidly, while social media also gains in importance. Another key driver is the integration of online customer data with data that customers generate in offline channels (namely in-store and call centers) for a single, cross-channel view. These examples illustrate the fast-changing nature of both consumer behavior and technological capabilities. They also underscore the need to be prepared to seize opportunities as they emerge.

Agility is key to identifying and capitalizing on opportunities. A key lesson from recent years is that the best marketers take nothing for granted. Those that excel recognize that "they don't know what they can't know"—for example, phenomena such as Twitter can be simply impossible to predict. A robust web analytics and online marketing foundation are essential to rapidly adapting to such changes in both consumer behavior and new channels and means of interactivity. Analytics in particular can help you detect critical shifts in behavior that can lead to new marketing opportunities. Once an opportunity is identified, you can't afford to take three months to roll out a campaign—too many competitors are poised to execute ingenious rapid-fire campaigns to entice, engage, and retain web browsers. Your marketers need a flexible, powerful, and integrated platform to achieve the agility that today's fiercely competitive market requires.

¹ Forrester Research, "The Forrester Wave: Web Analytics, Q3 2009," July 2009.

Your analytics and marketing platform and vendor shape your business success. The dynamic, constantly changing nature of online customer behavior puts a premium on the caliber of platform and vendor you choose. Online marketers who excel will have access to deep web analytics that can generate insights from customer information and an integrated platform for cross-channel online marketing. They will rely on a vendor partner committed to rapidly rolling out innovative features designed to give users a competitive advantage, backed by proven expertise in delivering technology that can be focused to answer critical business challenges of acquiring customers and increasing revenue.

Given the heightened role of web analytics and online marketing in business performance, selecting a solution is more frequently being made at the chief marketing officer (CMO) and chief information officer (CIO) level, ideally in collaboration with managers and practitioners who execute programs in web analytics, email, display and paid search advertising, and other areas. This is a natural progression, as the optimal solution enables you to marry the art of marketing with the science of technology, and smart companies strive to implement a fully integrated platform that, as a whole, is greater than the sum of its parts.

How to Use This Guide

This guide is designed to help you understand key characteristics to look for in a web analytics and online marketing solution. As in any business relationship, your company should conduct thorough due diligence to assess the capabilities, strategic focus, pricing and services structure, and long-term direction of your prospective vendor and its solutions. This document highlights the increasing importance of these technologies in winning customers and increasing revenue, and examines critical focus areas of platform and delivery, analytics, social and mobile measurement, advertising, personalization, retargeting, multichannel, services, and company. We hope it provides guidance in understanding the requirements of each area and selecting the best solution to meet your needs, whether you are:

- In the market for a new web analytics and online marketing solution
- Looking to move up from a free or entry-level offering
- Re-evaluating the solution you now have in place

Platform and Delivery Model

Execute With a Robust and Flexible Analytics and Marketing Platform

Does the solution maintain and measure visitor behavior over a period of many months and automatically share it with other applications?

Online behavior is complex and ever changing. Many elements influence the conversion of visitors to customers—email, banner advertisements, paid search, organic search, and so on. To optimize your budget and marketing mix, you need to accurately attribute value to the many sources of influence that led to conversion. The best solutions track and measure individual visitor behavior across multiple visits for the entire lifecycle of each visitor, which typically amounts to many months, and tie conversion behaviors to the correct points of influence. In addition, the solution should be able to accept data that customers generate in offline activities—such as buying in a store or through your call center—and combine it with web analytics data for a full multichannel view of customer behavior. It can then be used to target with personalized emails high-value customers who research expensive products online, but purchase them in a store. Finally, to fully leverage lifetime behavioral data, the solution should be capable of sharing it with other enterprise applications, such as a customer data warehouse.

Does the solution capture and maintain the data you need—from day one—without requiring you to know up front all the types of analysis you might want to perform?

The online marketplace is a fluid and evolving environment. The type of information tracked one day does not necessarily remain the same over time. The optimal web analytics solution enables you to analyze any historical visitor segment, campaign, or pathing scenario—without having to specify these analyses before data is collected. You should not have to know in advance which marketing campaigns or content links to track, or which visitor segments to analyze. And in no case should you need to re-instrument your site for additional data, which is expensive and only allows you to capture new data only from the time of re-instrumentation, which can compromise your programs' effectiveness. The best solution will maintain all raw behavioral data in a unified repository, accessible and readily usable by non-technical marketers. The data should be maintained, in its original detail, for at least 13 months to permit meaningful trend analysis.

Does the solution ensure data accuracy and integrity?

Web analytics is only as good as the data it's based on. It's vital that your solution include capabilities to ensure the accuracy and integrity of site visit data that it collects; those capabilities are often limited or non-existent in free and entry-level solutions. Ultimately, data quality will affect the quality of your online marketing initiatives. For instance, you risk customer dissatisfaction if you promote a product a customer has already purchased, or aim gender-specific products at the wrong gender. The best solutions will collect data directly from the client browser to ensure you're monitoring authentic visitor activity—not automated actions performed by spiders or bots. The solution should also address third-party cookie blocking to maximize data capture from all visitors, and not just those who accept third-party cookies. Be sure the solution counts all marketing clicks prior to third-party vendor redirects that may delete or overwrite tracking codes. To maintain data accuracy, look for a solution featuring filtering, auditing, and data sanity checks, which enable you to accept only transaction data within certain defined ranges to minimize bad data.

Does the vendor deliver a complete marketing solution, with integrated applications that turn analytics data into action?

The vendor’s ability to deliver a complete business solution should be high on your list. This entails providing a feature-rich analytics and marketing solution, a smooth implementation method, and a robust training and support offering to help maximize your return on investment. The analytics platform and online marketing solutions should work in concert, enabling users to simply point and click to create customer segments and automatically deliver to those individuals personalized promotional emails, or display ads featuring products they just browsed on your web site. Visual dashboards should provide highlights of online and web site data analysis with capabilities to drill through to underlying detail, and feature real-time key performance indicators (KPIs) that enable you to track intra-day activity and make adjustments on the fly. Look for best practice reporting templates to help you identify quick wins, and ensure the vendor offers both in-person and virtual training so that users can make the most of the solution.

Platform and Delivery Model	Yes	No
Does the solution maintain and measure visitor behavior over a period of many months and automatically share it with other applications?		
Does the solution capture and maintain the data you need—from day one—without requiring you to know up front all the types of analysis you might want to perform?		
Does the solution ensure data accuracy and integrity?		
Does the vendor deliver a complete marketing solution, with integrated applications that turn analytics data into action?		

Analytics

Harness Data for Insights that Drive Performance

Does the vendor have an industry focus and provide best-practice vertical reporting “out of the box?”

Requirements and objectives vary considerably across industries. It’s important to select a vendor that understands the nuances of your industry and offers a solution tailored to your unique needs, with implementation and support resources experienced and knowledgeable in your vertical. While web analytics and online marketing have their roots in retail, the best solutions will be geared to individual verticals, be they financial services, telecommunications, travel and hospitality, and others. The solution should include an integrated, industry-specific best practice framework that enables you to understand the data and derive maximum value from it. Look for out-of-the-box configurable KPIs relevant to your industry, and role-based reporting templates geared to enable your executives, marketers, merchandisers, and site designers to organize and analyze visitor behavioral data in ways most effective to their job function.

Does the vendor provide competitive benchmarking data from your specific industry to help drive optimization?

The optimal solution will offer industry benchmark capabilities that enable you to compare your performance against competitors (using anonymized, aggregated data). This unique and invaluable insight into online marketing effectiveness in your vertical helps you focus resources on the greatest areas of opportunity and keeps you ahead of the curve in regards to industry trends. Look for a solution that enables you to track your performance versus your industry by such metrics as click-through rates, time on site, average order value, effectiveness of email, display ad, paid search and other channels, and more. Being able to benchmark with competitive data allows for you to see where you’re lacking against competition in your specific vertical and sub-vertical, and focus your campaigns, marketing spend, and site optimization accordingly.

Does the solution support web analytics and marketing optimization based on stages in an extended customer lifecycle?

The ideal solution will feature innovative capabilities that enable you to track customer progression through lifecycle milestones such as browser, 1x buyer, email registrant, 2x buyer, Facebook fan, 3x buyer, and so forth. With an extended view of behavior, you can identify which campaigns and touchpoints trigger progression through lifecycle stages and accelerate movement from one milestone to the next, while increasing the value of each transaction. Such capabilities enable you to advance beyond traditional, limited single-session measurement to a next level of “measuring customers, not clicks” over a lifecycle that extends many months. In addition, the solution should feature built-in support for multiple types of lifecycles (buyer, event, value, frequency, engagement, etc.), with the ability to customize lifecycle perspectives to meet the unique needs of your organization.

Analytics	Yes	No
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Does the vendor provide competitive benchmarking data from your specific industry to help drive optimization?		
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Social and Mobile Measurement

Capitalize on Emerging Channels

Does the solution help you track ROI from your investment in Facebook and other social media?

Despite the rapid growth of Facebook as a channel for online marketing and customer engagement, many marketers lack measurement tools to determine the payback from their investments in Facebook and other social media. As the importance of social media will continue to grow, look for a solution that can link individual visits to Facebook fan pages, exposures to Facebook ads, and interactions with Facebook applications to subsequent web site visits and ultimately conversions and return on investment (ROI). The ideal solution enables marketers to measure the return of both clicked and unclicked assets (or impressions) through technology that ties clicks and views of those assets by users to subsequent site visits and conversion, enabling credit to the proper channels, including Facebook. Recognize the limitations of “social listening” tools that can report on what users say about your company on social media, but provide little actionable information.

Does the solution allow you to track and optimize mobile channel device and application usage?

More marketers are looking to capitalize on the mobile channel—but how to measure ROI from mobile investments? With consumers increasingly using powerful smartphones and other mobile devices to consume content, research products and services, and place orders, your solution needs out-of-the-box support for a variety of mobile usage analytics and marketing optimization. Be sure to choose a solution that makes it easy to track usage by types of device and device operating systems accessing your site, your emails or advertisements. The system should also enable you to track mobile applications, carriers, countries, and more. Look for capabilities that let you examine drop-off points and bounce rates (invariably higher with mobile devices than online) and use those insights to improve your mobile interface and usability. Your ideal solution should readily integrate with other components in your web analytics and online marketing platform, allowing you to exploit the potential of the mobile channel as device usage continues to grow.

Social and Mobile Measurement	Yes	No
Does the solution help you track ROI from your investment in Facebook and other social media?		
Does the solution allow you to track and optimize mobile channel device and application usage?		

Advertising

Target Customers with Broad Scope and Precision

Can the solution attribute conversions and purchasing to the appropriate marketing programs and channels by their relative influence?

Successful online marketing requires the ability to measure the relative influence of each channel (e.g., paid search, unclicked display ad impressions, email, recommendations, social media, mobile, and others) on conversion and purchasing. Be sure your solution features the advanced technology required for you to understand a customer’s interaction with your brand through multiple channels over an extended period of time, and doesn’t pigeonhole you into crude and flawed single-session attribution models that credit the channel last clicked before conversion—a misleading metric that can undermine your effectiveness. Without a complete view of how each channel influences conversion and purchasing, you’re liable to invest in an under-performing channel, while not budgeting enough for channels that are driving revenue. The solution will include prebuilt and customizable attribution ratios to deliver insight into what works—and what doesn’t.

Does the solution have full retargeting capabilities for email and display ads built in?

Maximizing your success requires aggressively retargeting individuals who have browsed or carted items at your web site, but left without conversion or purchase. Your web analytics and marketing solution should feature capabilities for you to granularly segment those would-be buyers and retarget them with targeted display ads, personalized email, or a combination of the two. Look for an end-to-end platform that enables you to automatically launch targeted display ads and personalized emails to browsers and abandoners, with prebuilt integration with display ad and email service execution partners. The ideal solution will support robust A/B testing and capabilities to measure interactions over multiple sessions, important to refining your messaging to discriminating customers who value relevance and personalization.

Can the solution measure the indirect influence of display advertising on conversions?

Many marketers are skeptical over the value of display advertising because click-through rates are typically low and they’re unable to measure the “view-through” impact of unclicked ads on the bottom line. However, numerous studies have found the unclicked impressions materially contribute to brand awareness, site visits, conversion, and revenue. Your solution should feature built-in capabilities to track (via a lightweight impression tag) and measure the impact of display ads and other unclicked assets (such as blogs, syndicated videos, or widgets) on conversion, as well as visitors’ lifetime behaviors. Look for a solution that enables analysis of display ad performance by such metrics as sales, conversion events, page views, products purchased, and unique impressions, and aligns with proper attribution across all channels.

Advertising	Yes	No
Can the solution attribute conversions and purchasing to the appropriate marketing programs and channels by their relative influence?		
Does the solution have full retargeting capabilities for email and display ads built in?		
Can the solution measure the indirect influence of display advertising on conversions?		

Personalization

Build Customer Relationships with Greater Relevance

For retailers: Does the solution include a product recommendation engine that leverages analytics data and customized algorithms to boost cross sell and up sell revenues?

Displaying product recommendations to site visitors based on their browsing and shopping histories has been proven to generate an additional 10 percent or more of site sales. Size up solutions based on their capabilities to leverage deep visitor behavioral data to generate recommendations for cross sell and up sell. Look for the ability to reuse your existing tags to speed implementation as well as customizable algorithms and A/B testing to continuously optimize your results. The ideal recommendations engine will offer both user-defined customization and full automation. It will also generate relevant content based on relatively little data, such as a natural or on-site search term, and will integrate readily with your email solution, enabling you to feature recommendations in order confirmation emails or other communications.

Does the solution include segmentation and email personalization capabilities to drive conversions and revenue through relevant communication?

The days of “spray and pray” email marketing are gone. Today, the only click an email not tailored to an individual’s interests is likely to get is the “Unsubscribe” link at the bottom. Look for a solution that features powerful analytics that make it easy for non-technical marketers to identify and create segments (and microsegments) of customers based on critical attributes such as pages, products, shopping carts, transactions, intra-page elements, and conversion events. Once created, you should be able to reuse those segments time and again to more precisely target your campaigns. Also, look for best practice templates that enable marketers to rapidly design and execute campaigns for browsers, cart abandoners, post-purchase, and dormant visitors. Ensure that the solution dynamically updates your customer segments, adding or removing individuals based on new arrivals or those that have acted on your initiative.

Advertising	Yes	No
For retailers: Does the solution include a product recommendation engine that leverages analytics data and customized algorithms to boost cross sell and up sell revenues?		
Does the solution include segmentation and email personalization capabilities to drive conversions and revenue through relevant communication?		

Multichannel

Engage Customers Across Channels with a Single View

Does the solution permit you to input data customers generated by offline activity to create a complete multichannel customer profile?

As critical as a customer’s online profile is, it’s only one part of the full customer picture. Your solution should be capable of accommodating data that customers generate in offline activities—in stores, through call centers, or direct mail—as well as demographic information. By integrating online and offline data, your solution can open new opportunities to target high-value customers (who research online but buy expensive items in stores), assess the impact of online marketing campaigns on in-store and other offline sales, target individuals by geographic location, and position your company to deliver a personalized experience regardless of which channels a customer uses. The solution should feature flexible data import capabilities from data warehouses, transactional applications, or other systems. It should also offer testing and validation functionality that enables you to ensure data is accurate and properly formatted, minimizing the risk of error in communicating with your customers.

Does the solution allow you to measure the offline impact of online marketing initiatives?

With consumers interacting with brands in multiple channels, it is intuitive that online marketing programs will increase offline conversions. In order to show the full value of online marketing—and thus defend and expand budgets—it is important to quantify this increase. The vendor should have a mechanism for linking online and offline data, such that customers who see an ad and browse online, but convert elsewhere are tracked across channels, linking the initial marketing program through to the eventual conversion.

Multichannel	Yes	No
Does the solution permit you to input data customers generated by offline activity to create a complete multichannel customer profile?		
Does the solution allow you to measure the offline impact of online marketing initiatives?		

Service and Company

Leverage Innovation and Services from Your Vendor

Is the vendor's pricing structure straightforward, understandable, and trustworthy?

You're entering what could well be a long-term relationship with your solution provider—it's imperative that relationship be based on trust, clarity, and value in pricing and the overarching business model. Ensure that subscriptions based on a software as a service (SaaS) model are straightforward and readily understandable. It will pay off in the long run if your organization does thorough due diligence on the vendor's pricing scheme to ensure that you receive the service levels you expect, at the price you expect. Be on the lookout for potential "nickel and dime" charges that add up, and take pains to verify any potential additional fees if, in the future, you want to integrate solutions for email and display ads, product recommendations, and so forth. With an optimal solution, components will be fully and readily integrated at no additional charge.

Does the vendor provide high-level customer service at no extra cost, and offer expert implementation by vendor personnel?

As the success of your solution will depend in part on the quality of service and support you receive, carefully compare support pricing among your short-list candidates and pay particular attention to the scope of the vendor's support services. Make sure that you don't face unanticipated costs down the road for support that you expected would be covered by your subscription. You should expect an expert implementation by highly trained and qualified vendor personnel, if you choose, and not be surprised to discover your implementation is to be done by a third-party contractor engaged by your primary vendor as a cost-cutting and revenue generation technique. Recognize the limitations of self-service support via message boards and static help documentation that are standard with no-cost solutions. A free solution does not equal zero total cost of ownership. Look to ensure that your vendor's implementation personnel have expertise in your vertical to tailor your solution with industry-specific best practices.

Is the vendor a trusted company with the assets and expertise to succeed and innovate?

The evolution of web analytics and online marketing has been marked by ceaseless innovation. From relatively crude clickstream data capture of the late 1990s, today's best technology has matured into integrated solutions that drive quantifiable performance. It's important to align with a provider that you can trust to supply a platform that can adapt to future needs, and deliver the innovations that you need to stay a step ahead of the competition. Key characteristics to look for include a pronounced vertical focus and an emphasis on the use of web analytics and online marketing to address distinct business challenges, such as building long-term loyalty among your customers across all touchpoints. The best solution vendors will continually reinvest in their products and, particularly with SaaS solutions, recognize that their own success depends on their customers' success.

Does the vendor possess complementary business intelligence technologies to integrate with web analytics?

In sizing up competing solutions, it's worthwhile to envision your organization's customer-oriented environment a year, two years, or five years down the road. Many enterprises are already evolving towards an integrated view of customers that spans both online and offline realms. Therefore, it's important that your vendor have proven expertise in delivering solutions for conventional (offline) customer analytics, using its own or third-party data warehousing and business intelligence technologies to leverage large volumes of offline customer data. The vendor should offer capacity for you to integrate online and offline data into a single repository and apply sophisticated analytics to support precise, personalized marketing across multiple channels. Look to avoid web analytics solutions that leave you with a data silo at the end of a cul de sac.

Service and Company	Yes	No
Is the vendor's pricing structure straightforward, understandable, and trustworthy?		
Does the vendor provide high-level customer service at no extra cost, and offer expert implementation by vendor personnel?		
Is the vendor a trusted company with the assets and expertise to succeed and innovate?		
Does the vendor possess complementary business intelligence technologies to integrate with web analytics?		

Conclusion

The selection of a web analytics and online marketing solution is a high-stakes decision that can shape your company's fortunes for years to come, whether you're in the market for a new solution, looking to upgrade from a free system to a more robust solution, or re-evaluating a solution you now have in place. It's vital that your decision-makers diligently scrutinize solution capabilities and vendor direction, anticipate future scenarios, examine for potential weaknesses and "gotchas," and ask the tough questions that ultimately help in the informed selection of the optimal solution for your needs.

About Coremetrics®, an IBM Company

Coremetrics, an IBM Company, a leading provider of web analytics and marketing optimization solutions helps businesses relentlessly optimize their marketing programs to make the best offer, every time, anywhere, automatically. More than 2,100 online brands globally use Coremetrics Software as a Service (SaaS) to optimize their online marketing. Coremetrics integrated marketing optimization solutions include real-time personalized recommendations, email targeting, display ad targeting across leading ad networks, and search engine bid management. The company's solutions are delivered on the only online analytics platform designed to anticipate the needs of every customer, automate marketing decisions in real time, and syndicate information across all customer channels.

For Additional Information

To learn more about Coremetrics, visit www.coremetrics.com or call 866-493-2673.

Coremetrics has strongly supported online privacy since its inception.
To learn more, visit www.coremetrics.com/company/privacy.php.

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