



One Giant Leap for Analytics?

Web 2.0 has the potential to deliver a lot more data, but not necessarily easy answers

By Tam Harbert

JUST WHEN YOU thought you were getting a firm handle on the data you can wring from your Web site traffic, along comes Web 2.0. A collection of new technologies, including Ajax, flash, blogs, and streaming media, Web 2.0 is changing the nature of Web analytics, making it both more complex and potentially a much more powerful marketing weapon.

In Web 1.0, the predominant method for measuring how someone interacted with a Web site was counting page views. But Web 2.0 enables a whole new level of interaction that happens without a page refresh. For example, when a consumer rolls the cursor over a product, a box may pop up with product details.

Marketers can use analytics to measure how Web 2.0 technologies affect customer engagement and influence, says Christopher Parkin, senior director of product and solutions marketing at Web analytics vendor

Omniure, Inc., in Orem, Utah. "Is this neat new Web 2.0 feature that we built actually getting used at the macro level?" he asks. "And is the use of it actually contributing to a higher rate of conversion, or more pages viewed, or more trips being booked?" If it is, Parkin says, then marketers want to look deeper to find out what features and functions are leading to that success.

Easier Said Than Done

Most Web analytics vendors have updated their tools to handle Web 2.0 technologies to some degree, usually by measuring new interactions as "events" in addition to counting page views. But it's not simple and usually involves extra knowledge of analytical tools to collect data from site features delivered through Web 2.0 technologies, says Charles Wiedenhoft, director of user experience at the San Diego-based marketing agency Red Door Interactive.

Measuring is one thing; making sense out of what's measured is another. In many cases the "analysis" part is still missing from Web 2.0 analytics. Because rich Internet applications (RIA) give consumers opportunities to take many different actions, "the granularity and volume of the data is growing exponentially," says Megan Burns, a senior analyst at Forrester Research, an independent technology and market research company in Cambridge, Mass.

Additionally, behavioral analytics data from RIA is much more complex and variable than data from traditional HTML applications. Web analytics has traditionally tracked a linear progression through pages on a Web site, which is often represented as a funnel diagram that shows where users drop off in a defined path. RIA still tracks visitor interactions, but rather than linear movement from point A to point B in a Web site, users of RIA can use whatever features in the application they want. Burns says companies are still struggling to figure out what the right analysis techniques are to understand this data.

You can track the number of people who subscribe to your RSS feed, for example, but what you'd really like to know is how many people are taking that RSS feed and putting it on their blogs, and then how many people are subscribing to those blogs and what kind of comments they are posting about them on their Web sites, says Jim Sterne, president of Santa Barbara, Calif.-based consultancy Target Marketing and chair of the Web Analytics Association. "It's called buzz analysis," he notes. "Some tools are doing that, but it's not perfect yet."

Marketers Taking Notice

Most marketers are just beginning to experiment with analyzing Web 2.0 interactions. "Many of the clients I talk to haven't begun to tackle the opportunity for analytics to shed light on how people are using these tools," Burns says. She cites an online retailer that has had rich Internet applications on its site for two years. "And they've just begun thinking about using analytics for something more than counting usage of particular features in the application," she says. "They haven't started looking at patterns of usage or behavior, because it's



such a complicated thing to try to figure out when there are so many variations of how people can use the application."

Roche Diagnostics' Web site for diabetic glucose meters, www.accu-chek.com, is a case in point. According to Jim Lefevere, an Indianapolis-based group manager in global marketing at Roche Diagnostics, the company implemented some Web 2.0 technologies on the site in 2006, including interactive views of the product and Google mapping so users could find a nearby doctor or retailer. "We're mostly interested in seeing how many people are using these features and how frequently," Lefevere says. "But it hasn't gotten to the point where it's driving large business decisions."

Cricket Communications, the Denver-based operating subsidiary of Leap Wireless International, is representative of some of the ways leading marketers are embracing Web 2.0. Cricket's wireless products and service packages to underserved geographic areas vary by region, but when users went to Cricket's home page, www.mycricket.com, they would find only national offers. Unless customers first clicked on the zip code finder to search their region, they could go through the entire shopping experience before discovering, when they got to the shopping cart, that a particular phone or service plan was not available in their area.

To guide shoppers more efficiently, Cricket's agency, Red Door Interactive, redesigned the site, incorporating Ajax (asynchronous JavaScript and XML) and HTML. Ajax is a Web development tool that customizes pages by exchanging small bits of data with the server rather than refreshing the whole page. Now, if users click on a product or service plan at www.mycricket.com, a pop-up box requires that they enter their zip code before they proceed. If the product or plan isn't available in their area, the site suggests alternatives. The site's overall conversion rate doubled in the first two months after the feature was added, says Michelle Pujol, Cricket's director of Web channel.

Pujol is finding that the increased data from analyzing this feature is very useful. She can track those zip codes to find out where there's high demand for specific Cricket products or services and identify regions for expansion. If the company

SANDS SHIFT QUICKLY IN WEB ANALYTICS INDUSTRY

A bewildering array of Web analytics products exist, ranging from the free version of Google Analytics to a full enterprise-level implementation, including all the latest Web 2.0 analytics from market leader Omniture. At the same time, the industry is rapidly consolidating as vendors race to not only add new Web 2.0 features and functions but also expand into broader, qualitative measurements, such as customer experience data.

A September 2007 report by Forrester Research Senior Analyst Megan Burns ranked Web analytics vendors Omniture, Unica, Visual Sciences Visual Site, and WebTrends as "leaders" in the market because of their powerful, complex platforms for enterprises. It also ranked ClickTracks and Google Analytics as "contenders" with good reporting and analysis tools at a low price.

Although Google is not considered in the same class as some of the enterprise-type packages, it is moving quickly to add important and useful features. Last year, for example, it acquired Feedburner, which tracks RSS feeds. "I fully expect that within six months we will see Feedburner data tightly integrated into Google Analytics," says Eric T. Peterson, the CEO at Web Analytics Demystified, Inc.

In October, Google added several new features, including "event tracking," to measure user interaction with Web 2.0 technologies, and internal site search reporting, which tracks the terms that customers use to search your Web site. "Site search is a gold mine of data," says Brett Crosby, group manager of Mountain View, Calif.-based Google Analytics. "Customers are literally telling you what they want."

Meanwhile, Omniture went on a partnering and acquisition spree last year. In January, it bought Instadia, a Web analytics company that specialized in integrated customer surveying. In February, it bought Touch Clarity, a behavioral targeting firm. In September, it bought site-testing company Offermatica. And most recently, in October, it announced the intent to acquire one of its major competitors, Visual Sciences.

Peterson thinks Omniture has a good chance of creating a unified Web site optimization ecosystem. "Omniture is buying the needed technology to do all of this; now it's just a matter of taking the time to bolt it all together," he says. — T.H.

plans to enter a region, "I might try to collect e-mail addresses, to tell them we're coming soon," she explains.

Although the improvements have lifted conversion rates, Pujol would still like to know more about what customers like and don't like on the Web site, perhaps by including some type of customer survey. "At the end of the day, that's the best information to tell you where the flaws are and what else they would want to see," she says.

The Perfect Platform

A single, unified approach is where the market is headed, says Eric T. Peterson, chief executive officer and principal consultant at Web Analytics Demystified, Inc., a consultancy in Portland, Ore. It would be a full Web site optimization ecosystem

that would combine Web analytics, both old and new; data on customer experience and opinion; and word-of-mouth tracking.

Although such a platform isn't yet available from a single vendor, Omniture's Parkin is seeing "rapid adoption by innovative players in the market where they are literally blending together multiple technologies to improve relevance with their customers."

And yet there remains a large gap between such innovative players and the majority of marketers. Many companies are "shooting in the dark" when it comes to analyzing Web data, says Akin Arkan, senior segment manager for Internet marketing at Unica Corp. in Waltham, Mass. "The industry is still struggling to figure out how to actually use all this information constructively," he adds. ■