

**Section-1
Research**



MARKETING TRACK - Step 3

Topic: Web Metrics

Test Number: #030202-WA

Word Count: 6300+

Focus:

SECTION 1 (Five Questions)

1. Can you trust the click reports provided by Google and Overture?
2. Why don't the reports from the pay-per-click engines match the reports from our analytics programs?
3. Can you trust the numbers your web analytics program is providing?
4. Why is it so difficult to get accurate metrics from Yahoo! Store?
5. How do you cut through the confusion and find a web analytics tool that really works?

SECTION 2 (Outline)

- I. What do you (really) need to measure and analyze? (Five questions you need to answer)
 - A. Thirty nine activities you can measure
 - B. Eleven activities you probably should measure
- II. How do you select the best metrics tool?
- III. What are the available metrics tools?

- A. Five simple (homespun) solutions
 - B. Eight ASP solutions
 - C. Twelve software solutions
 - D. Lab-based solutions
- IV. What metrics tools do we use at MEC? (Eight ways we get the numbers we need)

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STUDY THE DATA FROM THIS TEST

We have three (aggravating) questions:

(1) How could three separate web metrics programs be given access to the exact same numbers (526 orders), and yet deliver a set of metrics that are 276 percent apart? (2) How can Google's Adword Select program report 7,706 more clicks than our actual log files report? (3) More importantly, how can a marketing team make effective decisions if they don't have accurate numbers?

Over the last six months, researchers at MarketingExperiments.Com have tracked more than 36,000 orders, studied 800 pages of advice, analyzed more than 10 GB of data, and reviewed 22 web metrics products.

We were searching for simplicity.

As Judge Oliver Wendell Holmes remarked, "I would not give a fig for the simplicity this side of complexity, but I would give my life for the simplicity on the other side of complexity."

Here at the lab, we have grown painfully aware of the need for a simple approach to web metrics.

If we have discovered anything significant, it is probably this: effective, serious-minded merchants, across the Net, in diverse industries, are struggling with inadequate data.

Their (understandable) ignorance is costing revenue and growth.

The Internet was supposed to provide a wealth of useful data, but for many, it is a quagmire of disconnected, inaccurate numbers.

Is there a way to cut through the web metrics confusion?

Here is what we discovered.

Can you trust the click reports provided by Google and Overture?

Most marketers that we have interviewed experience vague misgivings about the amount of money they are spending on the pay-per-click engines. Are they being overcharged?

We tested 50,000 plus clicks from the two leading PPC engines. Here is what we discovered:

Google Adwords Clicks for 31-Day Period	
Analytics Tool	Number of Clicks Reported
Google' s Click Report	47,851
HyperTracker	42,397
ClickTracks	40,145



What You Need To UNDERSTAND: There is a reporting variation of 19 percent! That is to say, if your cost per click was \$0.49, you could have been overcharged by \$3775.94. (*1)

Overture Clicks for 31-Day Period	
Analytics Tool	Number of Clicks Reported
Overture' s Click Report	5,535
HyperTracker	5,377
ClickTracks	5,126



What You Need To UNDERSTAND: There is a reporting variation of 8 percent. That is to say, if your cost per click was \$0.49, you could have been overcharged by \$200.41. (To get charts like this for your website, click here: <http://216.110.184.95/cgi-bin/pl/pl.cgi?syndicate>)

We are not suggesting that these pay-per-click engines are engaged in dishonest reporting. But an error can cost you as much money as a lie.

And in times past, we have seen evidence of significant errors on the parts of at least one PPC engine.

The moral of the story?

Get your own (reliable) metrics in place.

Why don't the reports from the pay-per-click engines match the reports from our analytics programs?

There are at least two reasons:

1. If someone (1) clicks on your link in Google Adwords, (2) visits your site, (3) returns to Google, and then (4) hits the back button, Google counts this as another billable click.
2. Both Google and Overture have many small affiliates. Without a special tracking code, a log file analytics program such as ClickTracks cannot discern whether a visitor came from the main search engine or its affiliate.

NOTE: You can view an updated list of Google affiliates in our Research Log at:

http://mecgroups.com/mec_research_log/archives/000029.html

Can you trust the numbers your web analytics program is providing?

We' ve established that tracking your clicks can be difficult, but what about tracking your orders?

In our next experiment, we studied 526 orders to determine how many of them originated from a Google Adwords pay-per-click campaign.

This campaign was for some 1000+ products offered in a Yahoo! store. We measured the results with two programs:

1. Yahoo! Management Interface - The web stats program built into the Yahoo! Store platform.
2. HyperTracker Pro Version - A hosted web analytic solution specifically designed for measuring click-based campaigns (we discuss this program in more detail in SECTION 2).

We compared the numbers from both programs with a manual (oh-so-tiresome) URL trace of every single order. The results were frightening:

Variation in Order Totals	
Yahoo!	58 Orders
HyperTracker	152 Orders
Actual	160 Orders



What You Need To UNDERSTAND: Yahoo!' s reporting was "off" by 276 percent.

How much money did we (really) make or lose with this Google campaign?

We ran a simple ROI report based on the three different sets of numbers. One thing was clear: if the merchant had relied on Yahoo! or HyperTracker, his analysis could have distorted future campaign decisions:

IF Yahoo!'s Metrics Were Accurate	
Total Spent on Google	\$6,318.14
Number of Orders Placed	58
Average Order Dollar Amount	\$74.40
Total Google Revenue	\$4,315.20
Margin	40%
ROI based on First Sale	-72.68%
ROI based on Annual Value	-52.19%

IF HyperTracker Was Accurate	
Total Spent on Google	\$6,318.14
Number of Orders Placed	152
Average Order Dollar Amount	\$74.40
Total Google Revenue	\$11,308.80
Margin	40%
ROI based on First Sale	-28.40%
ROI based on Annual Value	25.29%

Any merchant relying on the Yahoo! numbers would likely panic and terminate his Google campaign. But in reality, this campaign showed economic promise. Here are the (mostly) accurate numbers: (*2)

Actual Orders	
Total Spent on Google	\$6,318.14
Number of Orders Placed	160
Average Order Dollar Amount	\$74.40
Total Google Revenue	\$11,904.00
Margin	40%
ROI based on First Sale	-24.64%
ROI based on Annual Value	31.89%



What You Need To UNDERSTAND: According to Yahoo!, the merchant was losing 52.19 percent. But in actuality, the campaign generated a return of 31.89 percent. (To get charts like this for your website, click here: <http://216.110.184.95/cgi-bin/pl/pl.cgi?syndicate>)

Armed (at last) with accurate numbers, our research partner grappled with the next vital question:

Should he continue with his Google campaign?

The answer is not as simple as it may seem. The decision would be based upon a single vital factor: his LIQUIDTY.

At MEC, we have a special metric. We call it the Liquidity Index. It is a single number that answers THE cash flow question:

Will I recover my campaign expenses within thirty days?

To be sure, a marketing investment can be sound even if the money is recovered over a 12-month cycle. But in today' s ferocious economy, many marketers cannot afford to wait for 12 months.

Indeed, many marketers don' t even have a fixed budget. They hope to recoup their direct costs every thirty days.

Our research partner had two obvious options:

1. IF HIS BUDGET WAS GENEROUS - Buy all available traffic of this quality. If your margin is 40 percent, \$39.49 is not too much to pay for a customer that will spend \$130.20 in the first year. And every customer acquired is a customer the competition doesn' t acquire.
2. IF HIS BUDGET WAS LIMITED - "Freeze" the campaign to avoid receiving a end-of-month bill that he was unable to pay.

We recommended a third option: (1) Refine the Google campaign, (2) eliminate unprofitable keywords, (3) enter negative keywords, (4) improve the landing page, and (5) monitor the results closely.

This third option has proven to be the best choice.

Unfortunately, many marketers don' t have enough accurate information to discern a "third option." Nor do they have the confidence to buy all of the available traffic for a campaign.

While preparing this report, we spoke to one merchant who admitted, "I' ve never known how much my Google campaign was really yielding, so I just low-balled the bids."

This merchant Grossed 1.7 million last year with his homegrown Internet operation... but how much market share did he lose by underbidding on profitable search terms?

Why is it so difficult to get accurate metrics from Yahoo! Store?

Yahoo! Store offers one of the best hosted e-commerce platforms on the Internet, but their site metrics are sorely lacking. There are at least seven problems:

1. Yahoo! does not grant access to its log files.

2. The referral link section, entitled "References," is absolutely unreliable.
3. Yahoo! is an affiliate of Overture, and you cannot determine if your orders are coming from the Yahoo! network or from a separate Overture campaign.

NOTE: Our research partners report that they are (sometimes) charged a Yahoo! Shopping Commission for orders that came through their pay-per-click campaigns.

4. Yahoo! will not let you place the necessary code on the order confirmation page to set up a simple tracking system.
5. There is no easy way to view, download, and analyze a complete list of your Yahoo! store orders.
6. Yahoo! often displays orders with no referring link and no entry point.
7. Yahoo!' s technical support is outsourced and unable to assist you with important questions about your metrics.

We are working with one of our research partners, Don Cole of ystoretools.com, to develop an effective analytics program for Yahoo!

How do you cut through the confusion and find a web analytics tool that really works?

The Scottish writer, Andrew Lang, once commented, "He uses statistics as a drunken man uses a lamppost -- for support rather than illumination."

The goal of web analytics should be illumination. And...

Knowing what we DON' T need to measure is at least as important as knowing what we DO need to measure.

The key is focus.

Effectiveness is not the result of measuring the numbers right; it is the result of measuring the right numbers.

Your company' s time and energy is at a premium. You need to get the "most" for the "least." This rigorous focus not only concentrates your resources; it also clarifies your objectives.

When you cut through all the confusion, there are really only four elements you can measure:

1. The AMOUNT of activity on your site - page views, visitor sessions, returning visitors, etc.

2. The SOURCE of that activity - referrers, search terms, languages, countries, organizations, etc.
3. The NATURE of that activity - entry pages, exit pages, browsers, platforms, JavaScript versions, cookie support, screen resolutions, page refreshes, page load errors, average time per page, etc.
4. The RESULTS of that activity - click trails, most requested pages, number of page views, signups, orders, etc.

In each of these four categories, there are only a few numbers that will truly matter.

Once you have collected the numbers, it is time for the second step: analysis.

Lest this ominous word frighten you, most of your analysis can be painlessly accomplished with nothing more than a one-page spreadsheet.

Section-2 Analysis



SECTION 2 is focused on METRICS -- that is how to measure your website activity. The next report is focused on ANALYTICS -- that is how to apply your metrics in a practical way to your marketing.

Let's begin with a vital question.

What do you (really) need to measure? (five questions you need to answer)

Success most often results from answering two critical questions:

1. What is my (real) objective?
2. What is the most effective way to accomplish my objective?

In SECTION 1, we offered the following premise:

Effectiveness is not the result of measuring the numbers right; it is the result of measuring the right numbers.

So what are the right numbers?

Thirty nine activities you can measure

Theoretically, you can acquire copious amounts of information about the activity on your Web site. WebTrends Live, for instance, generates at least 56 different reports for a single day.

The following is a list of items you can measure. If it seems a bit overwhelming, that' s because it is. But don' t dismay; before this report is completed, we will reduce this list from 39 to less than 12.

VISITORS

- Unique Visitors
- First-Time Visitors
- Repeat Visitors

DEMOGRAPHICS

- Languages
- Organizations
- Countries
- Regions
- Time Zones

PAGES

- Page Views
- Most Requested Pages
- Single Access Pages
- Average Time on Pages
- Page Refreshes
- Page Views per Visitor
- Visits by Page Views
- Top Directories

NAVIGATION

- Entry Pages
- Entry Paths
- Exit Pages
- Clicks to Pages

REFERRERS

Referring Domains
Referring URLs
Referring Organizations
Referring Countries
Referring Search Engines
Referring Search Phrases

SYSTEM

Browsers
Browser Versions
JavaScript Versions
JavaScript Support
Java Support
Cookie Support
Platforms
Platform Versions
Screen Resolutions
Screen Widths
Color Palettes

ACTIVITY

Top Browsing Times
Server Cluster Balance

Eleven activities you probably should measure

What are we really trying to "know"? What are we trying to learn from our measurement and analysis?

I would (tentatively) suggest that there are five basic questions most marketers are trying to answer:

1. Who visited my website?
2. From where did they come?
3. What pages did they view?
4. Did they have any trouble with my site?
5. What did they buy or sign-up for?

For the sake of clarity, let' s assign a few key metrics to each of these organizing questions:

1. Who visited my website?

Unique Visitors

2. From where did they come?

Referring URLs

Referring Search Phrases

3. What pages did they view?

Entry Pages

Page Views

Average Time on Pages

Page Views per Visitor

4. Did they have any trouble with my site?

Browser Versions

Platform Versions

5. What did they buy or sign-up for?

Orders (average amount, number, total revenue) Sign-Ups

We do not mean to imply that these are the "ultimate" metrics. But we find these numbers to be especially helpful, and they form a good base set.

How do you select the best metrics tool? (A three-part evaluation worksheet)

Knowing WHAT we need to measure is a key determination, but it is not enough. We suspect that most marketers are vexed by an even more pressing issue:

How do we acquire these numbers? How do we find and implement an effective web metrics tool? Which "ruler" do we use?

To help you answer this question, we have organized the balance of his report around three key efforts.

1. To provide you with a simple three-step analysis of a potential web metrics tool.
2. To catalog a list of the leading web metrics tools.
3. To outline the web metrics tools which we use at MEC.

EVALUATION WORKSHEET
Determining Your Web Metrics Solution

STEP 1 — Evaluate your needs

1. If you have an existing metrics program, how is it failing to meet your needs? What problem are you trying to solve?

2. What are the critical elements you need to measure? Select five to ten key metrics.

3. Based on your site' s current revenue, how much can you afford to spend (per month or per year) for your metrics system?

\$ _____

- If you budget it limited, consider WebTrends Live. For less than \$50 per month (depending on traffic), you get helpful numbers. Also, consider ClickTracks. It will fill in the missing blanks; it will answer questions that WebTrends cannot.
 - Also, don' t sell short the simple "homespun" solutions we outline later in this report. They are effective; they are inexpensive.
4. How sophisticated is your company' s internal capacity to implement technical applications? (Can you install a script on your server?)

- If you don' t have programmers on staff, consider a hosted solution, or a simple, easy-to-use program like ClickTracks.
5. On what platform is your e-commerce system based?

Yahoo!
Custom
Other _____

- If you have Yahoo! store, your options are severely limited. Use simple "homespun" solutions outlined previously, and hope that we (along with Don Cole of ystoretools.com) can complete our development of an effective solution.
6. Do you have a dedicated server?

 7. Does your site run across multiple servers?

 8. What is your server operating system?
UNIX
Windows
Linux
Other _____
 9. Do you need a metrics program that is flexible/customizable?

STEP 2 — Evaluate a potential solution

1. How stable is the company you are considering? (Are they profitable?)
2. How long have they been in business?
3. Is web metrics their core business?
4. Are you dealing with a reseller, or with the primary company?
5. Does their system work across multiple servers? Does it work with your platform?
6. Have you tested their technical support with a blind call?
7. Do they offer training or educational support?
8. How complex are installation and setup?
9. Is their website easy to navigate?
10. Is their solution scalable?
11. Do they offer a simple way to test their product without making a long-term commitment?

12. Are they clear about their pricing, or do they offer ambiguous (read what can we get away with) answers?

STEP 3 — Test the solution

1. If possible, download a free copy of the software, or sign up for a free trial.
2. Run a small micro-test without risking your server's stability.
3. Determine if the program seems accurate by comparing it to known numbers (i.e. orders, revenue, etc.). You can also compare its results with a simple traffic counter and/or with a pay-per-click report (there is always some variance).
4. Determine if the program is easy to learn and use.
5. Set aside enough time to test a few likely solutions. You may need to adjust your expectations. Nothing is 100 percent accurate.
6. Continue testing until you identify the best solution, then "roll it out" across your site platform.

What are the available metrics tools?

We have already defined a select group of metrics, and we have outlined a simple way to evaluate a potential metrics tool.

But what are the options? What are the available metrics tools?

Web Metrics tools can be (loosely) divided into four classes:

1. Simple (homespun) solutions
2. Application Service Provider (ASP) solutions
3. Software solutions
4. Lab-based solutions

What follows next is a list of twenty-five different tools from across these four categories.

Six simple (homespun) solutions

Sometimes we over-complicate the process. Sometimes we use a .50 caliber machine gun when a .22 will suffice.

If you are trying to measure the results of the specific campaign, be it email or pay-per-click, consider one of these five easy-to-implement approaches.

1. A Unique URL

The simplest means of tracking visits generated by a specific marketing effort is to set up a unique landing page. Combine this with a rudimentary measurement tool (even an invisible page counter) and you have accurate numbers.

Here is an example from our own site. This page tracks (only) the people who read our FREE Section 1 report on Google Adwords Select.

http://www.marketingexperiments.com/memb_googleSE.cfm

2. A Redirect/Refresh Page

This tool uses a unique web page that not only tracks hits, but forwards the user to the correct destination. This approach saves time, as it keeps you from having to design a whole new landing page.

You can accomplish this with the following HTML code in the <HEAD> portion of your page:

```
<meta HTTP-EQUIV="Refresh" CONTENT="0";
URL=http://www.marketingexperiments.com/">
```

You can also use the following JavaScript code:

```
<SCRIPT language="JavaScript1.1" type="text/javascript"> <!--
location.replace("http://www.marketingexperiments.com/"); //-->
</SCRIPT> <NOSCRIPT> <META http-equiv="Refresh" content="0";
URL=http://www.marketingexperiments.com/"> </NOSCRIPT>
```

It doesn't hurt to use both in a single refresh/redirect page, as some older browsers will only support one or the other. Here is an example redirect/refresh page that will take you to the MarketingExperiments.com home page:

<http://www.meclabs.com/refresh/index.html>

3. Simple CGI Scripts - ProLinkz

One of the best solutions available for tracking individual ad campaigns is ProLinkz.

ProLinkz is a simple CGI script that tracks click-throughs and referrers. You can use it to track ezine advertising, search engine marketing, and any other traffic-driving campaign.

ProLinkz works like a redirect/refresh page, but it automates the setup process and the statistics gathering. Additionally, it can be used to shorten URLs or disguise a destination URL.

ProLinkz runs on UNIX servers and requires that Perl 5 be installed. Once the script is installed, all of the administration functions are accomplished through a simple web-based interface.

ProLinkz cost \$45 (per domain) for a lifetime license.

ProLinkz is available at

<http://www.prolinkz.com/>

4. Pay-Per-Click Tracking Reports

Sometimes, the information provided by Google or Overture is enough to glean basic decision-making data. Think of these engines as testing platforms.

Here is an example of how we use them to test the viability of a new domain name:

<http://216.110.184.95/cgi-bin/pl/pl.cgi?gam>

5. One-Pixel GIF

One of the most effective ways to measure sales volume is to place an invisible one-pixel GIF on the confirmation page of your order process.

This simple GIF can be used by programs like ProLinkz to track orders and revenue.

Here is a code sample:

```
<IMG SRC="http://216.110.184.95/cgi-bin/pl/pl.cgi?pixel">
```

6. Invisible Web Counters

Yes, we are referring to one of the oldest, most abused measurement tools. But it can work for you, if...

- A. You select a more reliable "model."
- B. You make certain that it is invisible to your visitors.

Invisible counters on a web page are an easy but effective way to measure page views. You simply paste a few lines of code into the page you want to track and the stats are compiled automatically. Some counters will even track unique visitors and referrers in addition to page views.

There are a number of free invisible web counters available on the web. Here are two:

<http://www.trafficfile.com/>
<http://www.freeinvisiblecounters.com/>

A good guide to using web counters is available at:
<http://www.counterguide.com/>

Eight ASP (hosted) solutions

ASP solutions are hosted by the provider of the service. This option has its advantages:

1. It can reduce setup complications.
2. It can reduce the load on your servers.

Brian Alt is a full-time researcher and writer with MEC. He has carefully cataloged the key providers, providing a "snapshot" of the most relevant information.

Some of these programs combine metrics with analysis. But in this report, we are focused on metrics. In the next report, we will discuss analysis.

NOTE: For many of these service providers, pricing information was not available on their respective websites. As we contacted them individually, we learned that their pricing varies depending on a number of factors.

ASP PROVIDERS

Coremetrics - <http://www.coremetrics.com/>

Cost: varies
In Business Since: 1999
Level of Sophistication: very high
Contact: info@coremetrics.com, 877-721-2673

Coremetrics' mission statement reads, "Coremetrics provides perfect knowledge of all online visitor and customer behavior in order to optimize lifetime profitability." The company provides a marketing analytics platform that "captures and stores all visitor and customer activity to build LIVE (Lifetime Individual Visitor Experience) Profiles."

Digimine - <http://www.digimine.com/>

Cost: varies
In Business Since: 2000

Level of Sophistication: very high
Contact: info@digimine.com, 425-460-5000

Digimine' s data collection is based on either server log files or web page pixelling, or a combination of both. They offer site analytics, customer profiling, and recommendations based on customer behavior.

DoubleClick - <http://www.doubleclick.com/>

Cost: varies
In Business Since: publicly traded since 1998
Level of Sophistication: very high
Contact: 212-271-2542

DoubleClick offers two analytics tools, ChannelView and SiteAdvance. ChannelView is a sophisticated web-based tool that enables marketers to determine the ROI of an email or direct marketing campaign across their websites, retail stores, and catalog call centers. SiteAdvance is a website measurement and analysis solution for online merchants who need to understand the interaction between site traffic and transactions.

HyperTracker - <http://www.hypertracker.com/>

Cost: \$19.95 per month
In Business Since: 2000
Level of Sophistication: medium
Contact: info@hypertracker.com, 866-604-2687

HyperTracker offers a free and paid version of their ad tracking utility. It helps you track number of impressions, clicks, and sales, as well your cost per click and sale and your overall campaign ROI. (See our notes on this solution, later in this report.)

IBM SurfAid - <http://surfaid.dfw.ibm.com/>

Cost: \$500-\$2000+ per month
In Business Since: 1999
Level of Sophistication: very high
Contact: 817-962-7873

With IBM SurfAid, web managers are able to "target desired audiences, analyze visitor segment behavior, understand visitor decision-making, judge the effectiveness of promotions and applications, and build the foundation for data-driven, strategic Web business decisions." You can apply multiple measurements and filters against your data sets to derive highly customized reports.

Red Sheriff - <http://www.redsheriff.com/>

Cost: varies
In Business Since: 1996
Level of Sophistication: very high
Contact: info@redsheriff.com

RedSheriff' s patented technology records user activity and gives clients access to data that accurately describes user behaviors. They deliver "customizable, factual, detailed information you can use, describing how many people use your content and how they interact with it."

Web Side Story - <http://www.websidestory.com/>

Cost: free - \$35+ per month, Enterprise service varies
In Business Since: 1996
Level of Sophistication: medium to high
Contact: sales@websidestory.com, 858-546-0040

Web Side Story offers a number of service levels on their HitBox platform. HitBox Enterprise provides comprehensive, real-time statistics about online visitors for high-traffic sites. The free HitBox Personal service is available at <http://www.hitboxcentral.com/>

WebTrends Live - <http://www.netiq.com/webtrends/default.asp>

Cost: \$35-\$1000+ per month
In Business Since: 1995
Level of Sophistication: medium to very high
Contact: sales@webtrends.com, 888-932-8736

Formerly WebTrends Live, the WebTrends Reporting Series delivers real-time, accurate answers to improve visitor acquisition, conversion, and retention. There are several levels of service, from the inexpensive eBusiness Edition to the full-featured Enterprise Edition. (See also the WebTrends Log Analyzer under software, below.)

Twelve software solutions

ClickTracks - <http://www.clicktracks.com/>

Cost: \$495
In Business Since: 2002
Level of Sophistication: high
Contact: info@clicktracks.com, 877-773-2249

ClickTracks retails for \$495, which includes support and free upgrades for all minor releases. The software is licensed on client PCs, so there is no limit on the number of sites you can analyze with a single copy. There is a free evaluation

copy and several interactive Flash demos on the website. (See our notes on this solution, later in this report.)

Commerce Server - <http://www.microsoft.com/commerceserver/>

Cost: \$6,999+

In Business Since: see website

Level of Sophistication: very high

Contact: see website

A highly scalable complete business solution, Commerce Server provides advanced website analytics. A demo version is available on the website.

E.piphany - <http://www.epiphany.com/>

Cost: varies

In Business Since: 1997

Level of Sophistication: very high

Contact: salesinquiries@epiphany.com, 650-356-3996

E.piphany provides several methods of analysis to help businesses to "gain insight into their customers and to allow them to quickly turn that insight into action across marketing, sales, and service applications." They provide data-mining functionality and advanced filtering technology.

Funnel Web - http://www.quest.com/funnel_web/analyzer/

Cost: \$995

In Business Since: 1987, IPO in 1999

Level of Sophistication: high

Contact: 949-754-8000

This software measures traffic, unique users, server load, referrals, visitor demographics, marketing ROI, and a lot more. There are freeware and demo versions of the software on the website.

Informatica - <http://www.informatica.com/>

Cost: varies

In Business Since: 1993

Level of Sophistication: high

Contact: 800-653-3871

Informatica offers several web analytics software solutions. Informatica Web Channel Analytics helps companies understand what customers do on the website and how that behavior impacts business processes. It creates reports based on web log data.

LiveStats - <http://www.deepmetrix.com/>

Cost: \$1295+
In Business Since: 1992
Level of Sophistication: high to very high
Contact: sales@deepmetrix.com

LiveStats Log Analyzer software offers detailed server-side reporting and analysis to multiple users through its advanced web browser interface. This company also recently launched the more sophisticated DeepMetrix Web Analytics, which delivers powerful real-time data mining, marketing, merchandising, and visitor analysis.

Microstrategy - <http://www.microstrategy.com/>

Cost: varies
In Business Since: 1996
Level of Sophistication: high
Contact: info@microstrategy.com, 866-966-6787

MicroStrategy' s Web Traffic Analysis Module runs on MicroStrategy version 7 and is available with the purchase of MicroStrategy 7. The module ships with 64 pre-built web traffic reports and hundreds of analytical variations. There is a thorough product demo on the website.

NetTracker - <http://www.sane.com/>

Cost: \$495+
In Business Since: 1996
Level of Sophistication: high
Contact: sales@sane.com, 800-407-3570

NetTracker will help you analyze visitors' click paths, buying patterns, product interests, ad success, customer base turnover, content quality, and more. Fifteen-day evaluation copies of the software are available to download from the website.

Summary - <http://www.summary.net/>

Cost: \$59-\$695
In Business Since: 1998
Level of Sophistication: high
Contact: summary@summary.net

Summary log analysis software claims to provide more information and reporting options than any other product in its class. Summary Basic (\$59) allows you to create reports for up to three domains. The most expensive version of the software allows you to track 1000 domains and is most useful for service providers. Summary offers a free 30-day trial version of the software on their website. (See our notes on this solution, later in this report.)

SAS Webhound - <http://www.sas.com/products/webhound/>

Cost: varies

In Business Since: SAS founded in 1976

Level of Sophistication: high

Contact: 919-677-8000

WebHound is a "clickstream" analysis and reporting tool that empowers businesses to better understand their online customers. The software will help you learn who your customers are, where they come from, what pages they like and don't like, and how often they visit your website.

Urchin - <http://www.urchin.com/>

Cost: \$695

In Business Since: 1995

Level of Sophistication: very high

Contact: sales@urchin.com, 619-233-1400

Urchin is a web analytics software package that "analyzes cookie-fortified web server log files, puts the pertinent information in a database, and delivers dynamically-generated browser-based reports." Urchin version 4 is \$695, which includes reporting for up to 100 websites.

WebTrends Log Analyzer - <http://www.netiq.com/webtrends/default.asp>

Cost: \$499

In Business Since: 1995

Level of Sophistication: high

Contact: sales@webtrends.com, 888-932-8736

The original WebTrends Log Analyzer software is configured for single-server websites and produces reports on visitor patterns, referring sites, visitor paths, demographics, and so on. A free trial version of this software is available on the website. (See also the WebTrends Live entry under "ASPs" (above) for WebTrends' more sophisticated, realtime analytics solutions.)

Lab-based solutions

Lab-based solutions should not be overlooked in your search for ways to glean site data. There are some elements that are best measured by creating a test scenario and observing real users as they navigate your design.

We think this mysterious process can be simplified. Most companies don't need a \$100,000 study to determine their site's level of usability.

In a future report, we will show you an easy-to-implement approach for conducting your own internal usability tests.

What metrics tools do we use at MEC? (Eight ways we get the numbers we need)

At MEC, we use a combination of tools to accomplish our measurement objectives. We thought it would be helpful to outline our approach:

1. We use simple solutions (everyday) like unique URLs, ProLinkz, and pay-per-click reports. This month alone, we measured click-throughs for 715,399 email messages using ProLinkz.

We also used ProLinkz, combined with a one-pixel GIF to determine the conversion ratio of an offer page for one of the highest trafficked sites on the Internet. (We achieved a 6.69 percent conversion.)

We use pay-per-click reports to measure the effectiveness of more than 650,000 search terms.

2. We use WebTrends to gather basic information on our site. We then analyze information with a simple customized spreadsheet.
3. We use ClickTracks to analyze our user behavior. It is a highly effective tool, and it offers the easiest to understand graphical interface that we have tested.

ClickTracks is not an all-in-one metrics tool. But if you really want to know what users are doing on your site. It is the best tool we've seen for design analysis, and it runs on your own PC. Just download your log files and let it crunch the numbers. The program is quite fast.

4. We conduct simple, five-person usability tests, where we assign a simple objective (i.e. change your email address), and then we observe the activity. It is VERY enlightening.
5. We have been using the program called HyperTracker to measure the revenue generated by our pay-per-click campaigns. HyperTracker measures more than orders; by using a one-pixel GIF it actually tracks total revenue per click.

HyperTracker's performance, however, has been disappointing. We have had to manually verify its data. Aaron Rosenthal, an analyst with MEC has outlined the problems we are experiencing:

- A. HyperTracker is not designed to work with Yahoo! stores. In order to track orders and value of sales, special code must be implemented on your site.
- B. HyperTracker sporadically links individuals who have visited the site in the past to a recent sale (even if your parameters are set to do otherwise).

- C. HyperTracker sometimes sorts sales from one campaign into another. In order to get accurate numbers, you must go back and check the sale records individually.
- D. HyperTracker does not work well with certain pay-per-click campaigns. Overture reads the first domain in the URL as the web address, so if you track an Overture campaign with HyperTracker, the page listing will show hypertracker.com, not the intended marketingexperiments.com.
- E. HyperTracker is slow in responding to customer service questions.
- F. HyperTracker sometimes redirects clicks to a site' s homepage rather than to its intended product pages.
- G. HyperTracker' s code is not designed to work for sites using ASP (though it can be altered).

We are still looking for a more effective tool to replace HyperTracker. If you have a better solution, email us!

- 6. We also deign to use a very old-fashioned tool: the telephone. We regularly call our users and ask them four simple questions:
 - A. What was it about the lab that motivated you to purchase a membership?
 - B. How has it helped you?
 - C. What could we do to help you get more value out of the lab?
 - D. Has any part of your experience with the lab frustrated you?

The results of this polite, informal survey are sometimes shocking. But we learn, firsthand, how to improve our performance (and there is a lot we need to do).

- 7. We are preparing to implement an exit popup that will appear only once in 30 days and will ask the following questions:

- a) How would you rate the usefulness of the laboratory' s reports?
 - > Excellent > Good > Unsatisfactory
- b) How would you rate the load time of our web pages?
 - > Fast > OK > Too slow

c) As a subscriber, how often would you prefer to receive your email reports:

> Once per Week > Twice per Month > Once Per Month

8. We are also considering a new program: Summary.net. This solution seems promising. Here is a note from one of our members (who assures us that he has no affiliation with summary.net):

Hi,

I saw your request for feedback for your latest marketing experiment regarding web analytics.

I have used just about every traffic-analyzing program out there, from the big-name software like WebTrends, to little click-trackers like ProLinkz, to small custom Perl solutions. I finally found Summary.net, and I was blown away. If you're not already familiar with Summary, I'm sure you'll find that there is simply no comparison with any other program, even the "gold" ;) standard WebTrends.

The customization capabilities with Summary are endless. Determining revenue per click is a piece of cake. I could go on and on. Great support, constantly being developed. It just hasn't mainstreamed yet. The information I glean from my reports is a constant influence on web design and SEO issues...

Best wishes,

Jon Rubinstein

Are we measuring everything that we need to measure at MEC? Probably not. But are we getting enough information to make informed decisions? Probably so.

Is there one perfect metrics program? Not that we have found, but that does not overly vex us.

At MEC, we are focused on collecting ONLY a few key metrics. Once we are sure that these numbers are reasonably accurate, we are ready for the second half of the process: analysis.

Analysis DOES NOT have to be complicated. The entire focus of our next report is to help you analyze your key numbers with a single spreadsheet.

We are also planning an online web conference, where you can talk with our researchers and get help planning your own measurement analysis.



ProLinkz Link Tracking Script:

<http://www.ezine-tips.com/articles/format/20000811.shtml>

Ezine Promotion: Tracking the Results of Your Efforts:

<http://www.ezine-tips.com/articles/promotion/20010618.shtml>

Ezine Readership Measurement Using ProLinkz:

<http://www.ezine-tips.com/articles/management/20010112.shtml>

Does a Perfect Web Metrics Tool Exist?, Part 1

http://www.clickz.com/res/analyze_data/article.php/1502661

Does a Perfect Web Metrics Tool Exist?, Part 2:

http://www.clickz.com/res/analyze_data/article.php/1548561

How to Interpret Web Metrics:

<http://www.clickz.com/sales/traffic/article.php/992351>

One Metric Can Tell the Tale: Visitation Frequency:

<http://www.clickz.com/design/freefee/article.php/1459561>

E-Commerce Metrics: Drowning In Your Own Data:

<http://www.clickz.com/sales/traffic/article.php/911491>

Metrics Identify Problems, Not Solve Them:

http://www.clickz.com/res/analyze_data/article.php/843631

Click-Through Rate, R.I.P.:

http://www.clickz.com/media/plan_buy/article.php/825831

E-Newsletter Metrics:

http://www.clickz.com/em_mkt/enl_strat/article.php/1490281

More E-Newsletter Metrics:

http://www.clickz.com/em_mkt/enl_strat/article.php/1499081

Metrics Don' t Replace Marketing Judgment:

http://www.clickz.com/res/analyze_data/article.php/843831

Monitoring Visitor Conversion Using WebTrends:

<http://www.jimnovo.com/WebTrends-Tracking.htm>

Measuring the Value of Visitors with WebTrends:

<http://www.drilling-down.com/Keyword-Value.htm>



REVIEW THE ENDNOTES FOR THIS REPORT

(*1) We spoke to John Marshall of ClickTracks, who elaborated on our findings: "The under-counting of Google Adwords is approximately what we see. The biggest culprit in this undercount is actually a bug in Mac versions of IE. This browser/platform does not correctly report the referring URL when the page goes through a redirect such as that used by Google Adwords to count the clicks. The under-reporting therefore depends somewhat on the demographics of the product / campaign, and how many of those people are using IE on a Mac."

(*2) There is a 5 percent positive margin of error on the total numbers of Google orders. There are approximately 20-25 orders with no referring URLs or entry points. We did not count these orders in the Google results. This variance could have significant (positive) impact on the Company's ROI.