

Search Marketing and Analytics

Making Sense of the Data Overload

Marketers must align their analytics tools with search marketing goals to effectively track performance.

Key Questions

- What type of analytics tools are marketers using for search marketing?
- What are best practices for marketers' use of analytics tools for search marketing?
- To what extent are analytics vendors aligned with search marketers' priorities?

Key Finding

Eighty-one percent of search marketers use third-party analytics tools to measure search campaign performance, but tracking search engine marketing (SEM) effectiveness remains a top concern. As the number of analytics vendors offering search products increases, marketers must facilitate tool integration while assessing relatively longer-term return on investment (ROI) metrics and easy-to-track campaign metrics.



Research Topics

- Search & Analytics
- Search ROI

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Lead Analyst

Sapna Satagopan

Contributing Analyst

John Lovett

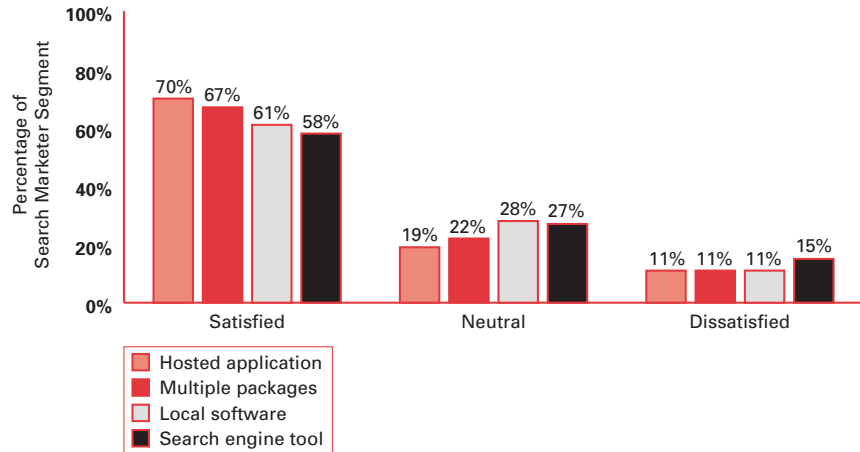
Research Director

David Card

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Marketers Using Hosted Analytics Are Most Satisfied with Search ROI

Fig. 1 ROI Satisfaction by Analytics Tool Use



Question: How satisfied have you been with the ROI you received from your search marketing activities during the past 12 months? Please select one.

Source: JupiterResearch SEM Executive Survey (2/07), n = 794 (search marketers, US)

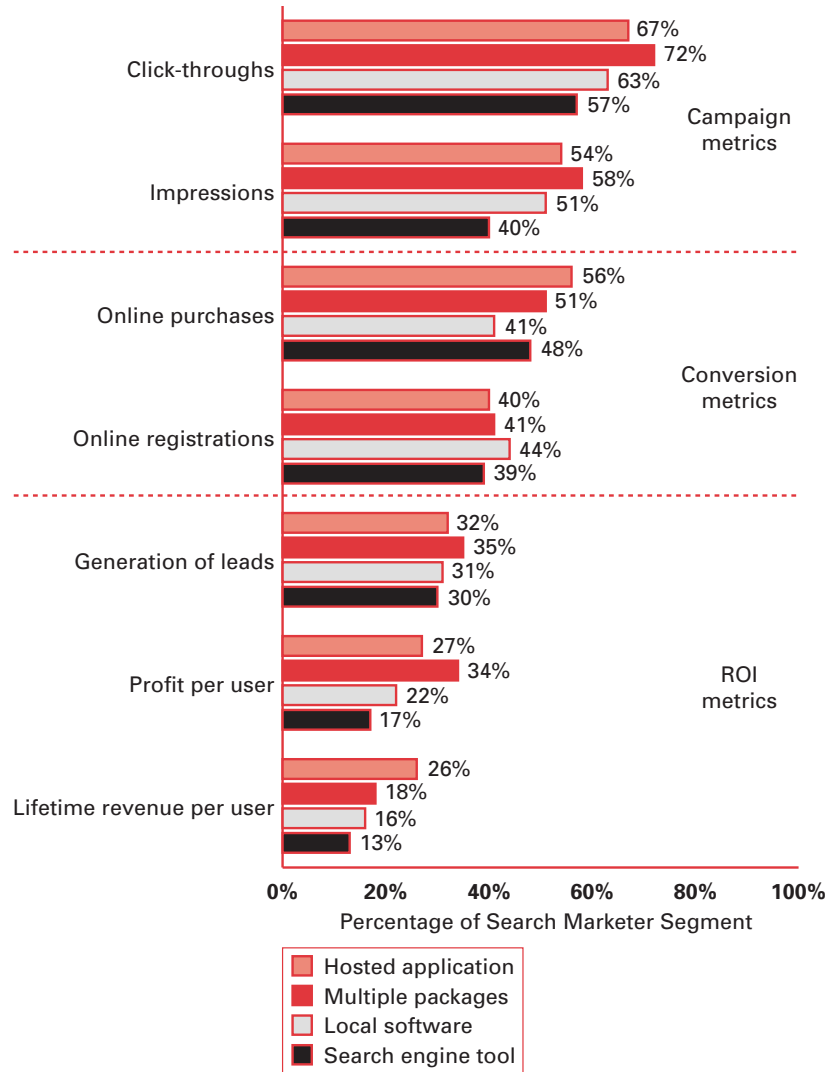
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Search engine packages such as Google Analytics are gaining favorability among search marketers. In 2007, 20 percent of search marketers, predominantly small marketers, used this free tool to measure the effectiveness of their search campaigns, up from 16 percent in 2006. Still, marketers that use hosted applications such as Omniture or Coremetrics are most satisfied with search ROI, followed by marketers that use multiple analytics packages. The need for use of multiple analytics packages arises from the need to capture a variety of data—on search engines, internal site-search tools, and Web analytics. However, concerns about tracking search marketing effectiveness remain: 45 percent of search marketers said tracking effectiveness is a problem.

Search marketers must also evaluate the synergy between paid search and search engine optimization (SEO). One retailer told JupiterResearch its company compared traffic from paid listings and SEO by tagging the same keywords for both approaches, and found significant traffic coming in from top-ranking SEO results. With 37 percent of search marketers equally performing paid search and SEO campaigns, the performance evaluation of both these listings must come from the analytics packages.

Marketers Measure Click-throughs the Most and Users' Value the Least

Fig. 2 Metrics Measurement by Analytics Tool Use



Question: Which of the following direct marketing objectives do you measure on a regular basis? Please select all that apply.

Source: JupiterResearch SEM Executive Survey (2/07), n = 794 (search marketers, US)

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Measurement of direct-response objectives continues to lead over measurement of branding objectives among search marketers. However, even in direct marketing, they are not aligning metrics to measure for each of these goals. Measurement tactics include the following:

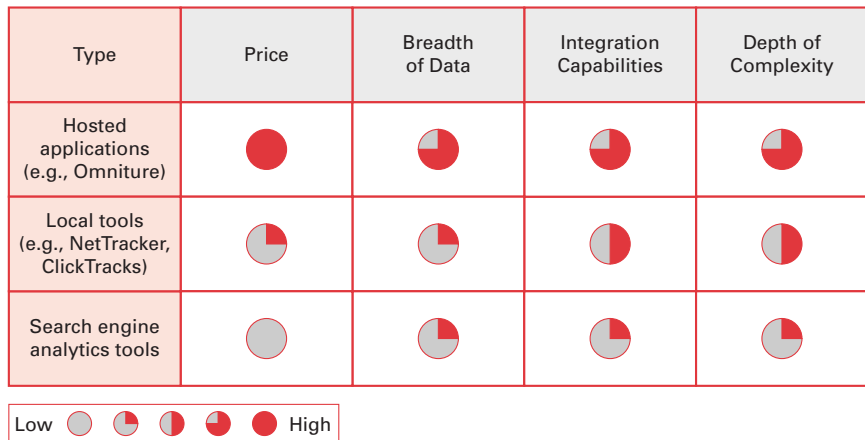
- **Campaign metrics.** Marketers tend to measure the means to the end more than they do the end itself. Click-throughs and impressions are the easiest to measure and most often used. Although they help gauge traffic quality, the landing page must still effectively convert or direct the searcher.

- **Conversion metrics.** Hosted application users are most likely to measure conversions, while local package users are least likely to do so. Focusing on conversions is important. It will allow search marketers to identify both problem areas that block the flow of conversion and mismatches in tool configuration. A search marketer interviewed for this report found a discrepancy in the number of conversions received on the site and the number of conversions recorded by analytics tools, requiring it to reconfigure the metrics.
- **ROI metrics.** Measuring relatively longer-term ROI of visitors will become important in direction of spending as well as accurate attribution of keywords, search engines, and campaigns. For example, the ability to evaluate a visitor's behavior from a search engine over time will help marketers identify relevant user segments (e.g., Yahoo! repeat visitors).

Search marketers must focus on conversions and ROI metrics, continuously creating metrics groups aligned with search marketing goals such as purchases, registrations, and sign-ups.

Search Marketers Must Plan for Resources as Vendor Landscape Widens

Fig. 3 Scope of Various Types of Search Analytics Offerings



Source: JupiterResearch (1/08)
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As search tactics become ubiquitous and increased marketing dollars go to SEM, marketers will require measurement practices to justify their expenditures. Additionally, as the campaigns (and organizations) increase in sophistication, marketers must go increasingly deep in terms of features and complexity. Entry-level products from Google (and very shortly from Microsoft with Project Gatineau) allow marketers to get started at no cost, but these tools often lack valuable metrics. Marketers' choice of sophistication in tool will therefore highly depend on their budgets. Even so, search marketers will face a huge data overload. Integrating multiple analytics packages to evaluate the same goals or conversions will be tricky and could lead to discrepancies. At the same time, analytics vendors offer clear benefits. For example, MSN offers demographic targeting.

Additionally, more resources will be required to understand appropriate metrics and align them with campaign goals. The cost of analytics tools will not significantly increase, but search marketers must be aware of the additional personnel overhead required for consolidating all the data and arriving at a common set of metrics all the tools will evaluate.