



Negotiate for Successful Web Measurement

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Warning! Having Purchasing or Technology negotiate a web measurement contract on their own can result in an expensive failure. Web measurement solutions are complex products with almost everything individually priced. To get a contract that will enable your organization to effectively use a web measurement solution requires an integrated, team effort of Purchasing and Technology advised by a web measurement expert. The team needs to map costs to functionality with careful attention to what functionality is needed and how it will be used. Some of the biggest failures of web measurement initiatives have been due to contracts that did not support cost effective usage – not technical problems. How can this happen?

Page View Trap

Costs for all web measurement solutions are based on the number of pages viewed. Technology tells Purchasing how many page views they expect to have in a year, and Purchasing negotiates a base price for the expected number of page views plus some margin for growth, perhaps 30% or 40% or more. Page views over the base number tend to be expensive. The problem is that page views for tracking purposes are “logical pages” (“tracking units”) not actual pages and to effectively measure a web site, the “logical” number of pages can be several times the number of actual pages. For example, a large web site knew how many page views they had in a year and added 50% in their negotiations with a measurement solution vendor. However, their home page, which accounted for almost 60% of their page views, was written in Flash and had twelve different modules, each of which they wanted to track separately. To effectively track their site, they needed 760% of what they considered their page views not 150%. Because each additional page view over 150% was expensive, they ended up not tracking the different modules on their home page and were not able to get the information they needed. Lesson learned, when measurement solution providers say page views think “tracking units” and make sure you take into consideration Flash, Pop-ups, Frames, and other technologies that can make your “tracking units” much larger than your page views.

Segment Surprise

One of the most important tools in web site analysis is segmentation. Customers are different from prospects. Frequent visitors are different from one time visitors. In order to identify and understand these differences, you need to be able create segments. Different measurement vendors have different solutions. Before you even start negotiating you must decide how many segments you'll need with what kind of tools. Different solution providers use different tools for segmentation. The two basic tools for segmentation are segmentation tools and data warehouse queries. Depending on the vendor these tools have different capabilities in terms of segment complexity, size of segment, and ease of use. With some vendors, the only way to segment is with their segmentation tool since their data warehouse does not have segmentation capabilities. Generally, the segment tools are easier to use than data warehouse queries, but cannot handle the most complex segmentations. Pricing is based on the number of segments allowed per month or number of database calls. In either case, it is less expensive to negotiate upfront for your needs than to get additional capacity later on. A large, complex web site could very well need 100 segments with a segmentation tool or unlimited database calls with a data warehouse. A large web site that does not negotiate enough active segments or database calls will be paying an unexpected premium for the "extras" that they need, a premium that could easily make web measurement too expensive to use. For example, a company with a large web site believed they were covered since their contract included a large number of segments with the segmentation tool, but a minimum of database calls. The segment tool did not work in their environment (too large of a web site), but they could not afford the cost of the "extra" database calls they needed for meaningful segmentation. On the other hand, a company with a medium sized web site wasted money negotiating for unlimited database calls when the less expensive, easier to use segment tool with an adequate number of segments was all that they needed.

Report Builder Quandary

All but the simplest of sites have the requirement for regular reporting that cannot be satisfied with the canned reports that come with a web measurement solution. To meet this need, the major vendors provide both an Excel and a database interface. Each interface has different terms, prices and uses. A database interface is best if you want to integrate the web reporting in an existing



reporting system (i.e. Siebel). The spreadsheet solution is best for standalone reports. Each has a different pricing structure. In some cases, the spreadsheet interface comes with the capability for scheduling a set number of reports to be e-mailed to a distribution list. Before entering into negotiations, determine what kind of reporting interface you need and how many you need. While licenses can be installed on servers and shared among users, there are many reasons for not sharing licenses such as capacity, security, and confidentiality. The danger with Report Builders is that if you don't understand your options and requirements you can be paying for what you don't need and not getting what you do need. For example, a company did not understand the different capabilities of the Report Builder interfaces and was paying for spreadsheet interface licenses, when what they really needed was a database interface.

Support

No matter how good a measurement solution is. No matter how much documentation is available. You will need support. There are many different types of support ranging from online systems to a specifically assigned support person. On top of that, there is the issue of how many people in your organization are allowed to contact support as well as the turn around time. A successful implementation requires you to understand your organization and how it functions. With that understanding and only with that understanding can you negotiate a useful support agreement – one that will enable you to realize the full potential of the measurement solution. For example, a company with multiple departments negotiated a support agreement with only one person authorized to contact support. To support all the departments, they established a support coordinator whose responsibility was to funnel all the support requests to the vendor. The coordinator was not familiar with the requirements in any of the departments, did not fully understand their issues, and was not able to adequately communicate either the problem or the solution between user and vendor. The result was dissatisfied users and suboptimal use of the measurement solution.

Conclusion

Web measurement solutions are complex applications with many individually priced items. Depending on requirements different sets of items are needed for different web sites. Knowing which items are needed and how many is often difficult to determine. However, without that knowledge, you can very well end-up with a solution that appears to be reasonably priced but is too expensive to be effectively implemented. To negotiate a successful contract, Purchasing and Technology must work closely together. Technology must be fully versed in the multiple features available from the vendor, not just theoretically, but from a practical, implementation perspective as well. If they are not sure, they should either pilot the solution or engage someone with that knowledge. A successful implementation depends on it. Forewarned is forearmed.