

# ***Measuring the Intangibles: Don't "Blink" Now, But You Might be Gravely Misoptimizing***

By Gary Angel

For many large clients, the web channel's impact is heavily weighted toward intangibles. Much of the value of a web site is unrelated to online conversion. This simple fact is widely understood by most of the stakeholders in such sites — but poorly translated into a good measurement strategy. Many web sites with a very significant brand/marketing component are measured almost exclusively by their conversion performance.

That's dangerous. Because measurement — if it isn't ignored — drives change in particular directions. And if you are measuring only the conversion efficiency of your site, then pages and tools that drive to conversion will get all the attention. Pages and tools that may drive significant brand value will be ignored or even dropped. In the long run, this will lead your site to be poorly optimized — even when stakeholders are aware of the multiplicity of functions on the site.

This phenomenon of measurement driving misoptimization is surprisingly common. It appears regularly in Search Engine Marketing — whenever companies choose to optimize to clicks. And the potential for it exists whenever measurement has been focused on only one part of a larger picture. The inevitable human and organizational tendency is to optimize to the numbers you have.

So if you believe that branding/marketing is a significant function for your website, it's imperative that you bake those concepts into your measurement in a way that will drive intelligent decision-making. To do this, you need to come up with a measure of branding/marketing that is:

1. Weighted Appropriately vis-à-vis Online Conversion
2. Designed to encourage appropriate optimization
3. Measurable using your tool set

I've ordered these starting with the most difficult first. Getting a handle on the value of a brand impression on the web is far from trivial. Many organizations have done media research in the past to understand the potential value of an "impression." But such values — when taken from traditional media — may not apply particularly well to the web site. In addition, web site engagement is much more variable than with other forms of media. When a consumer watches TV or hears a radio spot — they pretty much have the same experience. Granted their level of attention may be dramatically different — but there is a sameness to the experience (as well as an outright impossibility to measure differences in engagement) that make it both necessary and plausible to establish a single

value to the impression. The same cannot be said for the web — where the depth of engagement on the site is both visible and dramatically different by user.

There are several studies underway to try and measure the “brand” impact of various pieces of the web channel — including banners, search, and the web site. These studies track consumers over a long period of time for a single property and strive to measure the effect of each type of consumer interaction. Without denigrating the value of such studies, you should be cautious about assuming that whatever results they document are necessarily germane to you.

All too frequently, a single case-study becomes the conventional wisdom for an industry — with few people understanding just how variable real-world experience can actually be. A perfect example of this is the issue of Organic Cannibalization. When we’ve actually measured this, we’ve seen real-world experience ranging from organic listings actually supporting paid listings (as conventional wisdom says they should) to significantly (to the tune of 50% or more) cannibalizing it. And we’ve measured effects at pretty much every level in-between

On a similar theme, a recent study of the effect of TiVO on buying habits (Advertising Age, March 5, 2007) revealed a wide range of impacts by brand — from significant declines in advertising effectiveness to virtually no impact. The researchers had theories why this was the case (type of program advertised on, effectiveness of advertising, cost-competitiveness of the market space), but these are really only guesses. And, as with so many real-world cases, the deep implication is that there was no one right answer applicable to every advertiser.

This drive to explain everything with one simple rule is everywhere. If you listen to reports on the stock market, you’ll hear the same impulse to simplistic explanation (and with a much higher nonsense factor) — the market was “spooked” by some piece of news or was “reacting to comments” by someone. Maybe. Maybe not. There’s always something to explain a movement, but in a market movements will inevitably occur and some outside fact can always be found to match. Variation happens.

So depending on the importance of this issue to your business, it may be worth investing in a tracking study of your own. If that’s too elaborate, then you’ll have to be satisfied with building a value answer out of a subjective weighting of key factors: the known value of a traditional media impression, survey research on the brand impact and satisfaction from web site usage, and the long-term study of website usage and retention.

Once you’ve decided on a relative weighting of branding/impressions vs. conversion, you’ll have to decide how to measure for that value. The key, in making this decision, is avoiding a measure that encourages misoptimization.

It's for this reason that the two most common measures for impression value — Page Views and Uniques — are deeply flawed. Both measures encourage poor site optimization techniques. In each case, a site can greatly increase measured traffic without significantly increasing brand impact. How? One easy method is with a PPC program. If you are evaluating your sites on Uniques and rewarding site owners for driving traffic, then they are going to use tactics like PPC. Well and good. But since the measure is just traffic, they will have no incentive (indeed — they will have a positive disincentive) to attract qualified traffic. Why? It's pretty simple. Qualified traffic is nearly always much more expensive than unqualified traffic. So if you are optimizing for traffic then you are always going to end up buying more and more unqualified traffic since it will give you more traffic for the buck. In PPC terms, this means you'll end up buying words like "free stock quotes" instead of words like "portfolio management advice."

When sites are optimized this way, it's not unusual to see truly horrible campaign results — with the vast majority of traffic looking at only a single page on the site and spending less than 15-20 seconds (measured time) on the site. That isn't an impression, it's a blink.

Misoptimizations don't end there. When you do web site tuning, the bias will be toward tools that increase total page views (if page views is the metric). Unfortunately, this often leads to optimizing for the most cumbersome and inefficient paths for users — with disastrous effects on site satisfaction. On the other side of the spectrum, if unique visitors is the only metric then site optimizers won't work toward either more views, more time or more visits. Surely that can't be right!

A good measure of impression value will need to encourage all of the following: relevant page views, repeat visits, and time in key areas. By doing this, it will force site owners to really optimize their reach — not simply increase their traffic.

Here's a sample impression value calculation:

$$\text{Site Impression Value} = \text{visitor.engagement.scores} * \text{weighted impression value}$$
$$\text{Visitor.engagement.Score} = ((\text{engaged.Visits} - \text{AVG}(\text{baseline.engaged.Visits})) / \text{STDDEV}(\text{baseline.engaged.Visits}) + ((\text{pageEngagement} - \text{AVG}(\text{baseline.pageEngagement})) / \text{STDDEV}(\text{baseline.pageEngagement})));$$

This is a mouthful for sure. But it's not really that complicated. In essence, it says that we are going to score each visitor based on how often he/she returns to the site and has a qualified visit plus how many relevant pages and relevant page time they consume in those visits.

The definition of a qualified visit will vary by site, but will probably be something like — 'Viewed at least x relevant page(s) and spent more than x seconds on relevant content.' Where only pages considered to be part of the sales/branding

message will be considered. Driving to repeat usage does have some potential to misoptimization. But the potential is much lower than for most other strategies — especially when you force the sessions to contain relevant content and significant time on site.

In addition to the visit score, we have a pageEngagement score. The idea is to reward views and time spent on key pages on the site. It's important that navigational pages not be included in this measure or else serious misoptimization will occur — with site performance appearing to benefit when users can't find key content, spend lot's of time navigating to content or simply land on the site.

In each case, the actual score is built by comparing the visitor score to an average and standard deviation calculated during a baseline period. Why do it this way? The goal is produce a normalized score that can be easily weighted. That means scores should cluster around a single point — and using Standard Deviations (a measure of variability around an average) will accomplish this. For most distributions, a Standard Deviation of +1 is quite a strong indicator of positive tendency. And almost all values will cluster between a range of +2 and -2 with the majority being close to zero.

This technique keeps outlier visitors from over influencing the score (we sometimes cap scores as well).

What's important, however, is not the technical aspects of the score so much as the underlying concept that the essential task is to find a measure that will drive site owners to optimize appropriately for brand impact. For almost every site, that will require a measure of engagement that somehow includes the idea of key pages, repeat visits and the elimination of “blink” visits.

Once you've finalized your strategy for measuring brand impact you'll have to translate that into a working implementation in your web measurement tool. This is by no means a trivial task — particularly with regards to tracking relevant visits and scoring visitors. Even high-end web measurement tools will sometimes make heavy weather of these tasks.

If you do have to make compromises here, it's important to always keep in mind the underlying goal. Try to make sure that whatever compromises you make in measurement are ones that are least likely to result in bad optimization practices.

There is no one single right way to measure brand impact on your site. But if you're site is about more than conversion, then it's truly vital that you come to a decision about how you are going to measure that impact. If you don't, you're site owners and marketers are going to optimize to what they CAN measure. And when you do come up with a metric — you have to take special care that it drives to the behaviors that, ultimately, you really want. It all seems simple, but in the real world, it is anything but!