



White Paper

Increasing Relevancy, Loyalty, and Conversions Online

with Lifetime Individual Visitor Experience (LIVE) Profiles

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Introduction

Effective online marketing means tailoring messages and experiences to individual needs and preferences. Such tight customization requires ready access to large amounts of behavioral, attitudinal, and demographic site visitor and buyer data. Often, businesses augment this data with offline information from point-of-sales, catalogs, call centers, and more. Leading businesses continuously analyze visitor and buyer data to better understand their target audience, optimize marketing budget allocation, and fuel marketing applications, like Search Engine Marketing (SEM), email marketing, and product recommendations.

Coremetrics is the only solution provider to offer the LIVE (Lifetime Individual Visitor Experience) Profile web analytics data warehouse. This offering powers marketing applications and supports advanced data analysis. While competing data warehouse solutions exist, these are typically sold as expensive add-ons to the analytics solution. With Coremetrics, the data warehouse is integrated into the solution at no cost.

The Coremetrics solution set allows businesses to access their LIVE Profile data through interactive analytical applications, direct integration with Coremetrics' marketing applications, and data export mechanisms to drive third party applications and data storage solutions.

This white paper will discuss the characteristics and benefits of Coremetrics LIVE Profiles™, how the offering enables advanced reporting and analysis, and how it empowers marketing applications, which, put together, make effective web marketing a reality.

What are LIVE Profiles?

Coremetrics LIVE Profiles are the industry's most accurate, comprehensive, and actionable data source of online visitor behavior. These profiles can include offline behavior data as well. LIVE Profiles include every action that visitors take throughout a lifetime of interacting with a website. This data can include:

- Every web page viewed
- Specific paths taken through key site processes
- Web page point of entry, navigation path, and departure path
- Every banner ad, email campaign, affiliate link, search engine keyword (paid or organic), news article, or other source that brings visitors to the website
- Every product, room, flight, or merchandise item that visitors click on, view, or interact with
- Every newsletter signup, form registration, and opt-in identification actions taken by visitors indicating that they wish to be contacted
- Every important attribute of the visitor's browser, including device types, connection speeds, screen resolution, plug-ins, time zone, language, IP address, and domain name
- Every interaction with intra-page elements, such as videos, flash, AJAX, and Rich Internet Applications

"We wish we could ask our customers, 'How can we make our website work better for you?' but it would be impossible to canvass all of them! Now we're improving the website simply by watching our visitors walk around the store. It's like turning the lights on."

Online Manager, Boden U.K.

LIVE Profiles also include supplemental data, specific to a business’s unique online environment. Examples of supplemental LIVE Profile data include:

- Priority club status, frequent flier status, discount club status, and any other unique customer grouping scheme
- Every online form field that confused a visitor and caused a departure from the registration process
- Every link that a visitor clicks on to depart the website (such as an affiliate shopping link)
- Specific attributes for travel services offered (such as room rates, rental rates, flight rates, length of stay, room type, vehicle type, and more) that visitors browsed or ordered
- Qualitative visitor response data collected via polls, surveys, and other feedback mechanisms
- Offline customer data that is relevant to the online experience, such as catalog purchases made to date, frequent flier miles accumulated, or the number and duration of call center interactions

No complex database integration is required to supplement LIVE Profile data for analyses. The solution is intended to be as comprehensive as possible and redefines the way clients analyze and act on visitor and buyer behavior.

Let’s look at an example – Figure 1 on the next page, shows a LIVE Profile example of all the actions a particular website visitor takes on a travel comparison website.

The LIVE Profile is created well before the visitor identification takes place (i.e. in session 8 when the visitor books a room at hotel C). This profile represents a powerful history of pre-conversion behavior that a business can leverage to tailor post-conversion messages and interactions. Furthermore, the solution ensures that revenue and other metrics are always attributed to the correct traffic sources involved in the interaction. The following is known about this visitor given his LIVE Profile shown in Figure 1:

- This visitor originally arrived at the website via a Yahoo! banner ad (session 1), but returned to the site via an MSN banner ad (session 6) and via an affiliate link (session 8). With this knowledge, the business can attribute the revenue earned in session 8 to all three traffic sources. The business can attribute acquisition credit to Yahoo! and same-session conversion credit to the affiliate.
- This visitor held a room at hotel A at a rate of \$120 a night (session 2), but ultimately abandoned it and booked hotel C. With this data, the business can potentially market hotel C to other abandoners of hotel A.
- This visitor browsed the \$110 a night room at hotel B and searched for better room rates in sessions 3-6. The business can use the data to market discounted rooms more prominently to achieve conversions more rapidly.

Session 1 Yahoo! AdBanner -> Home Page -> Hotel Search -> Hotel A in SF (\$140)	Session 2 Direct Load -> Promo: SF Hotels -> Promo Hotel A (\$120) -> Hold Hotel A	Session 3 Promo: SF Hotels -> Customer Service -> Search: CA Hotels -> Promotions	Session 4 Direct Load -> Top Hotels -> Promo: SF Hotels -> King Size Bed
Session 5 SF Hotels -> Hotels: Discounts -> Hotel B: SF (\$110) -> Booking Step 1	Session 6 MSN Banner Ad -> Hotel Search -> Promo: SF (\$110) -> Booking Step 1	Session 7 Direct Load -> Sf Hotels -> Hotel C: SF (\$99) -> Hold Hotel C	Session 8 Affiliate Link -> View Reservation -> Delete Hotel A -> Book Hotel C

Figure 1: A simple example of visitor actions stored in a single LIVE Profile. Of course, all LIVE Profiles will be different, representing the unique actions of each online visitor, with no limit on the number of actions stored per session or across sessions.

How are LIVE Profiles built?

Coremetrics LIVE Profiles' approach to capturing and storing visitor data represents the most cost-effective method for building an accurate, comprehensive, and actionable source of visitor behavior data. Rather than sampling or discarding valuable visitor data, or aggregating it into key events, Coremetrics creates a record of all individual visitor behaviors on the website as they occur over time.

The Coremetrics solution assigns each visitor a persistent cookie with a unique identifier. No other data is stored in the cookie. As that individual interacts with campaigns and content, Coremetrics builds a LIVE Profile for that unique visitor, and stores it in a massively scalable data warehouse. All individual actions are recorded in the warehouse and associated with the visitor's lifetime ID. Data processing is then applied, allowing clients to create meaningful reports. Storing interaction data independent of its processing provides clients with almost limitless – yet cost-effective – reporting and analysis flexibility.

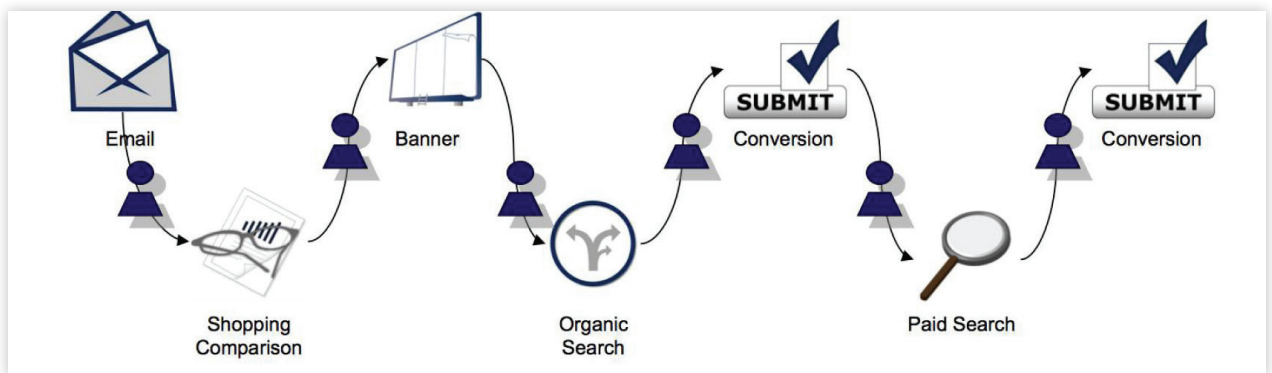
What benefits do businesses realize from using LIVE Profiles?

Comprehensive picture of visitor behavior

LIVE Profiles provide a complete data set of visitor behavior. Businesses can analyze the behaviors of any visitor segment at will, without relying on their IT teams or analytics vendors to produce reports or change the way behavior data is captured by the analytics solution. Analysts can, therefore, answer questions as they arise. Without this flexibility, businesses are limited in the way they can react to and influence website behavior.

To understand the value realized from having access to complete visitor behavior data, let's look at a simple example: a business would like to analyze the results of a recent customer acquisition campaign. The campaign consisted of purchased search keywords, a site promotion, and a discounted product.

Typical analytics systems track visits and revenues associated with visitors who click on marketing links, view promotional content or purchase specific products. But these solutions limit the scope of the analysis to the performance of the campaign. What's critically missing is an understanding of individual visitor behavior in the context of the campaign.



Deeper (and more meaningful) analysis begins with evaluating acquired visitors and asking the question "Who?" By defining segments of visitors who responded to the search marketing, viewed the promotional offer and purchased the product, an analyst can identify who was effectively targeted by the campaign and understand their behavior. Are these first-time visitors or frequent purchasers? What products does this group of visitors typically buy? What other products have they looked at and abandoned?

The analysis becomes more granular (and actionable) by looking at narrower segments of visitors who participated in one or more campaign events to identify their individual behaviors. Were the visitors acquired through marketing actually interested in the promotion? Were they interested in the product? Did they have difficulties browsing to the product? By drilling into segments of visitors who exhibited these behaviors and examining their paths through the site, businesses can understand why a campaign did or did not meet expectations, and how to better target customers.

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The analysis in the profile mining scenario described above is driven by the questions that analysts ask. An effective web analytics solution must be able to return data on visitor behaviors based on questions as they arise, rather than requiring reimplementing of the solution to capture a new data set. In the example analyzed above, the business must be able to create different profile segments in the process of measuring the success of a single campaign. Since it is not possible to know ahead of time which visitor groups to analyze, it is important to have true profile mining capabilities. These require a complete picture of visitor and customer behavior.

Cross-channel integration

As the web grows in usage, marketers must analyze and understand the interplay between online and offline channels. Customers constantly shift between websites and brick-and-mortar stores to take advantage of the characteristics and benefits each has to offer throughout the buying process. Marketers must therefore constantly optimize the shopping experience they offer. One recent example is the “shop online, pick up in store” offer that is growing in popularity.

The online channel represents the single richest source of customer behavioral information available today. The ability to identify visitor affinities through browsing and selection behavior, and to accurately measure the return on investment of marketing campaigns, represents a leap forward for online brands wishing to understand what drives customer interest and conversion in any channel. With so much data available online, however, the challenge is not obtaining the information, but rather integrating it with other data sources to gain a true cross-channel view of the customer. Coremetrics allows for the comprehensive import and export flexibility necessary to tie detailed data to in-house systems and drive truly successful cross-channel business initiatives.

Critical to this capability is LIVE Profiles. The profile contains a broad range of information for individual visitors. Seamless integration with offline systems through customer ID, email address, transaction ID, or login allows marketers to create a comprehensive, historical, cross-channel profile of customer behavior. This 360-degree view of the customer represents high-value data for fueling web analytics, business intelligence, and CRM needs. Businesses can understand the true return on online marketing investment across the web, call center, and brick and mortar channels. Offline data can be directly correlated to individual behavior through the LIVE Profile, ensuring that offline conversions are correctly attributed to the campaigns or content that drove a transaction, resulting in unique and powerful analytics capabilities.

Empowering effective campaign attribution

Traditional web analytics solutions assume that one and only one event or user interaction occurs prior to a sale or any type of conversion. In reality – and as we've seen in Figure 1 above – visitor behavior is more complex. With the exception of direct load, visitors arrive at a website from different channels, be it a search engine, portal, email, social media site, or so on. And typically, conversion is preceded by several sessions or campaign touch points—not just one.

Businesses that follow the single event assumption and manage their visitor interactions accordingly, are making decisions based on limited and potentially faulty information.

Businesses that follow the single event assumption and manage their visitor interactions accordingly, are making decisions based on limited and potentially faulty information. Lacking the complete picture, they inevitably make bad business decisions about their marketing approach.

To analyze cross-session, cross-campaign behaviors properly, Coremetrics offers clients the ability to apply to their reports to different attribution methods (first-click, last-click, average click, custom), vectors (backward attribution, forward attribution) and windows (same session, 7 days, 14 days, 21 days, etc). As clients can examine different attributions in the same report, they gain a complete picture of the interplay between their various marketing initiatives. However, marketers that lack this detailed visibility and are confined to a single view, often arrive at the wrong conclusions.

Let's see how:

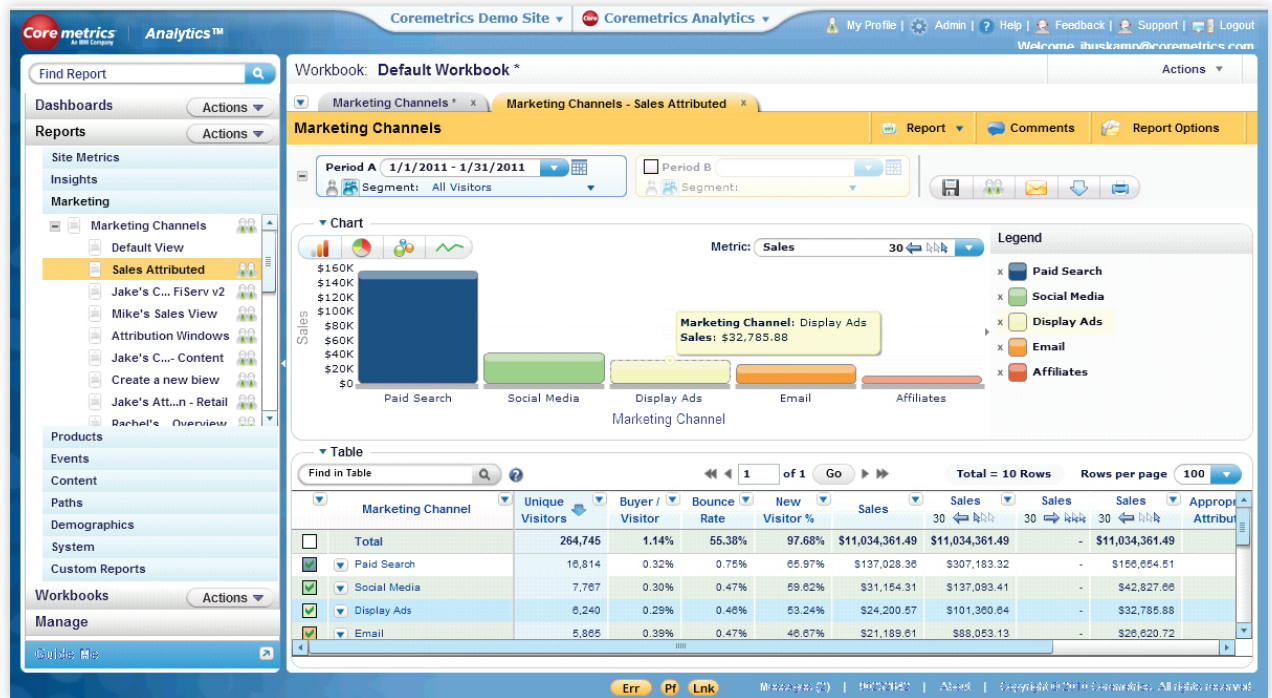
- **Analyze only last-click.** When businesses attribute a conversion solely to the last click, they value the initiative that triggered the conversion, at the expense of all other touch points. Each touch point plays some role in creating the conversion. Ignoring those touch points undervalues initiatives such as acquisition and brand awareness.
- **Analyze only first-click.** Attributing a conversion solely to the first click forces businesses to focus only on acquisition initiatives. In this scenario, marketers neglect to credit all subsequent initiatives that further outlined value propositions, encouraged visitors to transact and built confidence and brand preference.
- **Analyze only same-session data.** This type of analysis focuses on visitors who fall into two categories: those who were motivated to transact prior to the session, and those who became interested in transacting during the session. This analysis ignores behaviors in sessions in which visitors explore the website, evaluate alternatives, comparison shop or educate themselves about the brand, but do not convert.

It's clear that none of the approaches above is correct on its own. Businesses need the ability to view the data in a more nuanced fashion in order to make the right investment decision. Coremetrics' campaign attribution system enables marketers to account for all customer behaviors, use different techniques to measure influence, accommodate sales cycles of different lengths, and obtain a comprehensive picture of all behaviors.

Fueling marketing applications

Building rich visitor and customer profiles, and then basing decisions on this data is an effective way to increase return on marketing investment. But web data used solely for analysis provides only limited value. The full power of web analytics is realized when the data is proactively funneled into marketing applications. By leveraging web analytics data in marketing applications, marketers are able to tailor specific messages and experiences to specific audiences, increase touch point relevancy and, subsequently, increase visitor satisfaction, and conversions.

Coremetrics offers several marketing applications that are tightly integrated with its analytics platform. With direct access to LIVE Profiles, these applications offer an unprecedented level of message and content relevancy driven by factual, behavioral data. Let's review these applications.



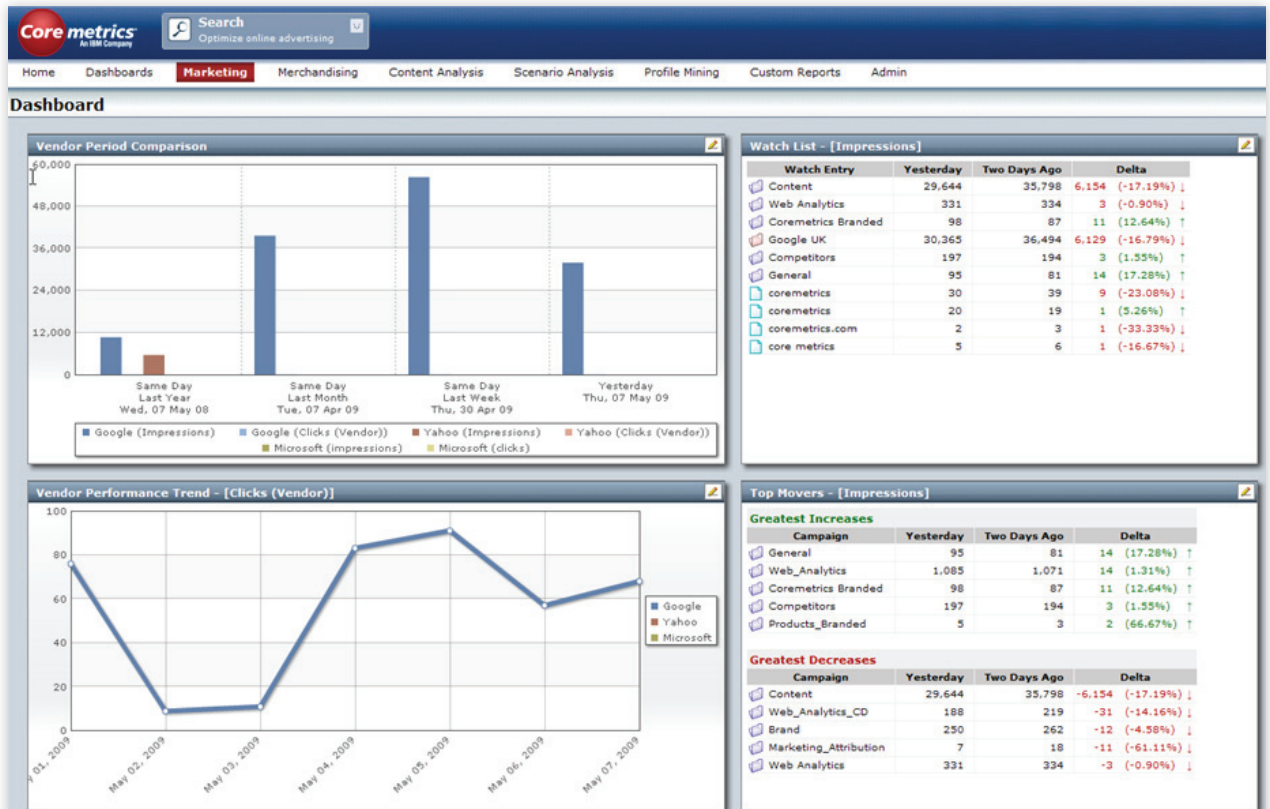
Marketing Attribution in Coremetrics Analytics

Coremetrics Search™

Coremetrics Search is a closed-loop solution delivered within the same interface as Coremetrics Analytics™. Search leverages LIVE Profiles to help search engine marketers maximize their profitability and profits from search engine marketing. Search helps marketers plan, manage, analyze, test, and refine their paid search advertising campaigns.

LIVE Profile data empowers precision search marketing. Clients can optimize keyword inventory, bids, ad text, landing pages, and web site conversion based on individual business objectives.

Coremetrics Search has the unique ability to adjust keyword bids based on advanced attribution data, which is only possible using Coremetrics LIVE Profiles. For example, if a search marketer is looking to increase customer acquisition, she will be able to focus bids for a keyword or campaign on leading (or first click) terms that initiate the conversation with the visitor. This approach introduces more power and precision to the bid management process, positioning marketers to better allocate spend to improve customer acquisition and conversion rates, and is unique in the industry.



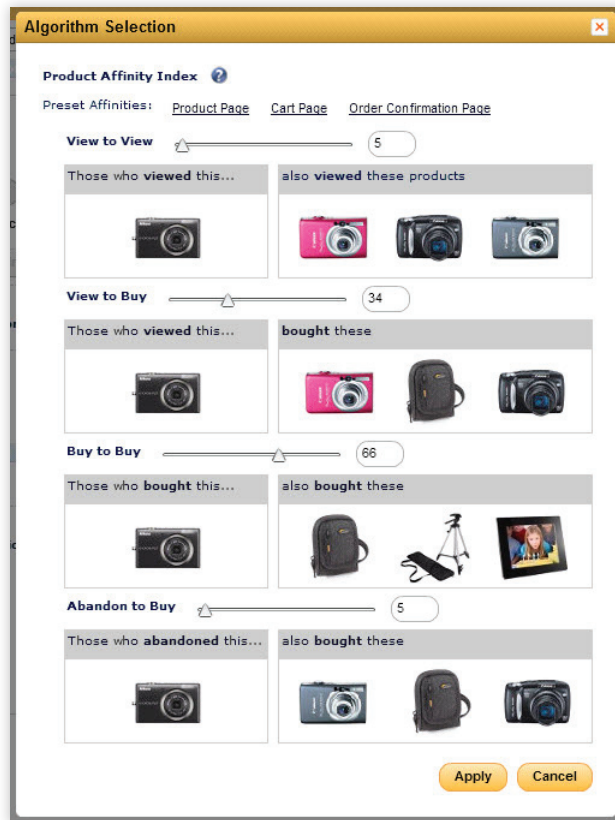
Coremetrics Search

Coremetrics Intelligent Offer™

Coremetrics Intelligent Offer is a closed-loop solution delivered within the same interface as Coremetrics Analytics. Intelligent Offer leverages LIVE Profiles to deliver relevant offers, automate the offer generation process to save time, and measure and improve cross sell effectiveness.

Web users are receptive to different offers depending on their context, i.e., whether they are browsing, shopping, or purchasing. As a result, online offers should be tailored to a web user’s context. Furthermore, an offer’s context affects its impact. For example, offers on product or content pages increase conversion rates, whereas offers on checkout or application pages increase average transaction size.

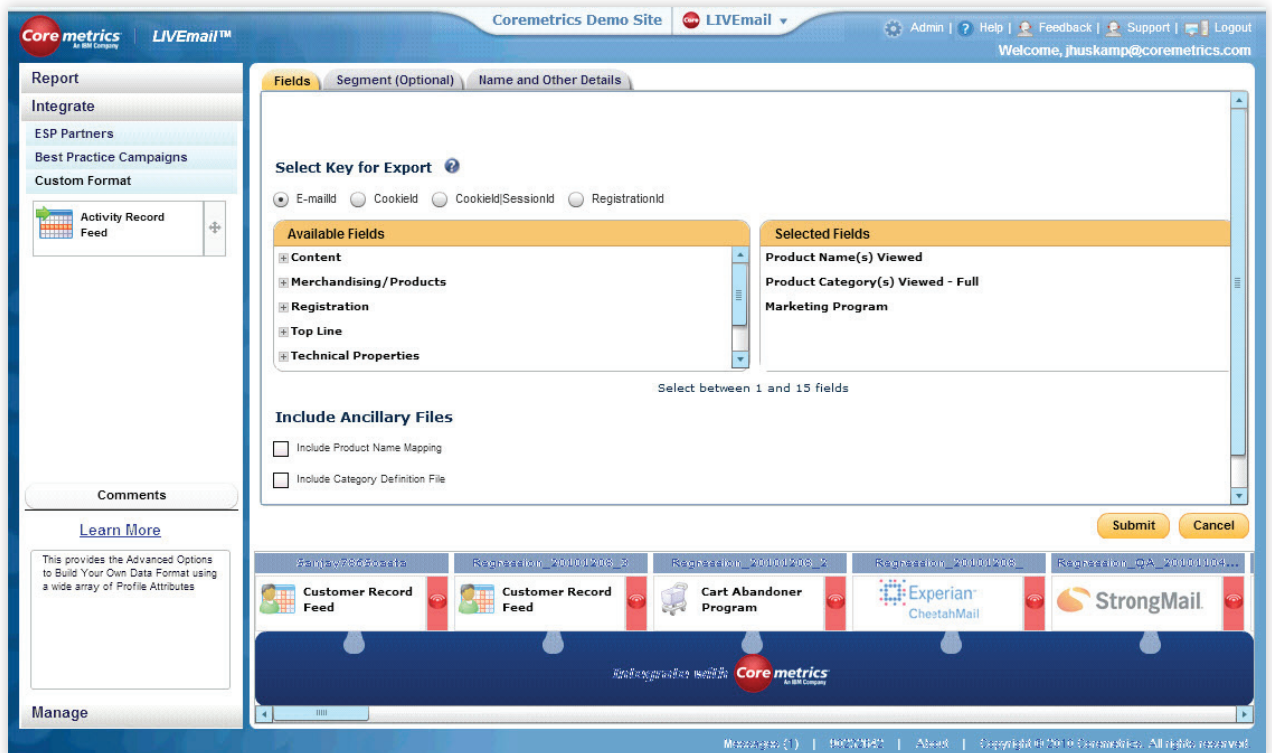
Intelligent Offer enables marketers to generate offers using a time-saving, data-driven, automated process. The data stored in LIVE Profiles includes browsing behavior, or what products or content web users view; shopping behavior, or what products or content web users put into a shopping cart; and purchasing behavior, or what products or content web users buy. Intelligent Offer automates rapid data mining and statistical analysis on LIVE Profiles.



Coremetrics Intelligent Offer

Coremetrics LIVEmail™

Coremetrics LIVEmail is a closed-loop solution for behavioral targeting via email. By exporting Coremetrics LIVE Profiles to email service providers (ESPs), clients can segment and target visitors and customers based on their behavior to deliver the right message, to the right customer, at the right time.



Coremetrics LIVEmail

Successful email programs depend on relevant and timely communication with customers and prospects. Integration between Coremetrics and ESPs provides an automated two-way flow of optimized marketing data between the email marketing system and the web analytics platform. This integration provides a detailed understanding of the variables that impact conversion and campaign effectiveness, the ability to do more sophisticated behavioral targeting and segmentation, and a more comprehensive set of personalized data that can be used to send highly individualized messages at precise moments in the customer lifecycle.

Clients increase email marketing conversion rates by leveraging robust visitor and customer behavior data stored in LIVE Profiles. Information about browsing, abandonment and purchases is automatically delivered to ESPs, providing direct access to all relevant customer segments within the ESP's system.

A final word on LIVE Profile data export

Coremetrics Export™ allows clients to configure and schedule data exports for use in precision marketing initiatives (e.g., LIVEmail for email marketing campaigns) or to address ad hoc analytic needs. Export allows marketers to easily and intuitively select visitor segments and identify which data should be included in an export, the target destinations, and the export structure; all within the general Coremetrics interface, and without the need to involve IT.

Coremetrics Export allows clients to capitalize on their investment in Coremetrics Analytics by easily sharing behavioral data with other business systems. Clients leverage the wealth of online behavioral data stored in LIVE Profiles to improve campaign performance or combine the data with offline CRM systems and loyalty databases for a 360 degree view of visitors and customers.

Coremetrics Export exposes a wide range of criteria including:

- Visitor criteria such as registration information
- Top Line criteria such as sales, session length, page views, or events
- Marketing criteria such as marketing program, search engine, or search term
- Merchandising criteria such as the item carted, or abandoned
- Content criteria such as pages browsed or entry and departure page
- Geography criteria such as country, state, and city
- Technical property criteria such as browser type or operating system

Leveraging LIVE Profiles, clients can gather behavior data over time, and continuously fine-tune messages based on that data.

Summary

Coremetrics LIVE Profiles provide businesses with the first cost-effective solution for creating an enterprise data asset consisting of accurate, comprehensive and actionable information regarding the online visitor and customer. This data provides an important foundation, not just for analysis within the online and offline channels, but also for fueling marketing application with factual, behavioral data. This approach represents a departure from previous methods of site-centric data capture and organization; with LIVE Profiles companies are able for the first time to maintain and extend the value of their most important asset – their customer data. Profile mining, multi-channel integration, behavior-based marketing, and campaign attributions are some of the initiatives that Coremetrics LIVE Profiles make possible.

Appendix: Questions to ask web analytics vendors

Below is a list of vendor questions that you can use when evaluating different web analytics solutions.

- Do you offer a data warehouse solution? If so, describe its capabilities.
- How many data warehouses maintain the client data? Do you provide a single source of truth?
- Can the solution track unique visitors across sessions? How?
- What benefits does the solution provide in terms of page tagging strategy and implementation? How do you accommodate changes in client needs as well as industry developments surrounding metrics collection?
- Describe your platform's user segmentation capabilities. Specifically provide details on what type of user segments can be created for analysis.
- Does the solution allow you to build email segments for targeting within the interface?

- Provide an overview of what conversion attribution models your system provides and if they can be configured individually on a per campaign or campaign type (paid search, display, e-mail, etc.) level. Indicate whether your platform provides attribution modeling for any or all of the following methods:
 - First Click attribution
 - Last Click attribution
 - Average Click attribution
- What options are available to export data from the solution and into the client's business systems? Can all raw data be exported?
- What options are available to integrate data from other sources into the solution?
- Describe your systems pathing capabilities for performing shopping cart and checkout process success and abandonment.
- Does the system allow for creating a page-by-page analysis of the conversion process?
- Describe how your platform handles abandonment analysis. Does your platform's browser overlay plug-in allow for a visual representation of each form or checkout page?
- Provide Data Warehouse costs.

Coremetrics®, an IBM Company

Coremetrics®, an IBM Company, a leading provider of web analytics and marketing optimization solutions, helps businesses relentlessly optimize their marketing programs to make the best offer, every time, anywhere, automatically. More than 2,100 online brands globally use Coremetrics Software as a Service (SaaS) to optimize their online marketing. Coremetrics integrated marketing optimization solutions include real-time personalized recommendations, email targeting, display ad targeting across leading ad networks, and search engine bid management. The company's solutions are delivered on the only online analytics platform designed to anticipate the needs of every customer, automate marketing decisions in real time, and syndicate information across all customer channels.

Find more information at www.coremetrics.com or call +1-866-493-2673.

Coremetrics has strongly supported online privacy since its inception. To learn more, visit www.coremetrics.com/company/privacy.php

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