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The Forrester Wave™: Interactive Attribution, Q4 2009

by Emily Riley
for Interactive Marketing Professionals

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ClearSaleing, Visual IQ, And Atlas Lead, With [x+1] And Coremetrics Close Behind

by Emily Riley
with Michael Greene, Nate Elliott, and Emily Bowen

EXECUTIVE SUMMARY

In Forrester's 44-criteria evaluation of interactive attribution vendors, we found that while no vendor offers a fully formed solution, ClearSaleing, Visual IQ, and Atlas lead the pack. ClearSaleing, a standalone attribution tool with rich modeling, comes closest to offering a complete solution, while Visual IQ's tool is powerful and beautiful but meant only for the big guys. Atlas is the everyman's attribution choice, with easy-to-use reports but none of the rich math of the other Leaders. Next comes [x+1], which takes a consultative approach, relying on solid analytics and full service media buying. Coremetrics follows, offering a site analytics tool with more simplistic but easy-to-use functionality. Theorem (a white-label data cleanser) and TruEffect (a small display-ad server) focus on data accuracy and the value of algorithmic modeling but are not as robust as the Leaders. To lead the market in the near term, we recommend that vendors focus their road maps on modeling capabilities, reporting flexibility, and actionability.

TABLE OF CONTENTS

NOTES & RESOURCES

Forrester conducted evaluations in August 2009 and interviewed 21 vendor and user companies as client references of the vendors evaluated in this report.

Related Research Documents

"Redefining Attribution In The Social Computing Era"
March 3, 2009

"A Framework For Multicampaign Attribution Measurement"
February 19, 2009

"Attribution"
July 28, 2008

INTERACTIVE ATTRIBUTION PUSHES LAST-CLICK MEASUREMENT ASIDE

The *de facto* industry standard of measuring the value of campaigns or media placements by the most recent click or interaction is ripe for change. In our recent survey of interactive marketers, even veteran direct response marketers only rated their abilities to measure campaign value at 6.3 out of 10.[1] Most marketers simply use the metrics that are sent to them in reports — clicks, impressions, and direct conversions — without taking the time to measure the impact that each consumer interaction has on a particular outcome. Today, if a consumer sees a banner advertisement for a pair of sunglasses, goes to Google to find the Web site, and then makes a purchase, the banner ad that started the process gets no credit for the sale in most cases — making it impossible for marketers to understand the true value of each type of media they buy. When used properly, attribution modeling puts that worst practice to bed.

Forrester defines interactive attribution as:

> *The practice of measuring the correct partial value of each interactive ad that drove a desired outcome.*

With the science of attribution measurement getting more attention from all stakeholders, the market is poised to embrace a fundamental shift away from last-click measurement and toward a more robust form of attribution measurement that affords credit across all interactive media types, channels, and interactions.

Interactive Attribution Vendors Are A Motley Crew Of First Movers

Many vendors understand the need for better measurement methodologies, but few offer a reasonable solution to enable attribution measurement. In fact, the space is still so nascent that:

- **Many attribution vendors don't even compete directly with one another.** Rather, attribution vendors tend to have organically concluded that they needed to offer their marketers more accurate insights, either from an ad-serving, site-analytics, or media-buying perspective.

- **There's no standard definition of what services attribution vendors should offer.** Vendors offer services ranging from installed client-operated software to full-service consulting. Each solution has pros and cons: Clients with little bandwidth or expertise in-house would do much better with a service offering, while large clients with robust analytics departments would more likely prefer reams of data to comb through and customize. To make things even more complicated, a number of attribution vendors require clients to sign up for a broader tool or service.

INTERACTIVE ATTRIBUTION EVALUATION OVERVIEW

To assess the state of the interactive attribution market and see how the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of seven top interactive attribution vendors.

Interactive Attribution Evaluation Criteria

After examining past research, user need assessments, and vendor and expert interviews, we developed a comprehensive set of evaluation criteria. We evaluated the vendors against 44 criteria, which we grouped into three high-level buckets:

- **Current offering.** We evaluated the breadth, depth, scope, and robustness of each vendor's current attribution measurement offering. For example, we examined how well they supported a variety of interactive channels and to what degree they ensured data accuracy. We looked at not only how sophisticated their measurement model was but also how easy it was to use and to what degree the offering enabled a variety of interactive marketing goals — from strategic media mix analysis to day-to-day media buying.

- **Strategy.** As it's such a new market, the details of each vendor's road map played a significant role in our evaluation of their strategy. Because several of the vendors are still at the startup phase, we also focused on the strength and breadth of their management teams and their ability to deliver on their go-to-market strategies.

- **Market presence.** All vendors in this evaluation are either privately held like ClearSaleing or are smaller divisions of large conglomerates like Atlas — making it particularly difficult to break out revenues and growth rates. The figures used in our analysis are Forrester estimates based on our discussions with clients about deal sizes. As a result, we also emphasized customer information, including feedback from customer references, active accounts, and client growth. To help prospects assess companies in an emerging space, we also focused on the vendors' financial stability.

Selected Vendors Show Promise Across Three Key Selection Criteria

Forrester included seven vendors in the assessment: Atlas, ClearSaleing, Coremetrics, Theorem, TruEffect, Visual IQ, and [x+1]. Each of these vendors has (see Figure 1):

- **A current attribution modeling product used by several clients.** We chose vendors that were currently actively providing multiple clients with interactive attribution measurement capabilities, either as a standalone product or service or as an integrated part of a larger product or service.

- **An offering that evaluates a variety of interactive channels.** We focused on vendors that offer relatively robust attribution solutions for interactive marketers across multiple channels. While some excellent attribution services exist that focus strictly on a specific channel, such as paid and natural search, we narrowed our scope to vendors offering attribution across search, display, email, affiliate, and other channels.

- **Cash to support operations and future product development.** Many of the vendors selected are quite small, but all of them have some amount of cash on hand — either from sales or investments — to support development of the product, expansion of sales teams, and additional analytics offerings.

INTERACTIVE ATTRIBUTION SOLUTIONS ARE NASCENT AND LARGELY INCOMPLETE

This is the first Forrester Wave evaluation that Forrester has completed in the interactive attribution space. Our categorization of the selected vendors as Leaders and Strong Performers is relative to the current state of the market. While our selection criteria ensured that the vendors have actual clients using the product, many of the products are still in development or beta stage. Most vendors have a way to go before their solution meets all of the needs of a majority of marketers. In other words, a "Leader" is simply the best offering currently available in this early-stage market.

One of the hardest decisions we had to make was how to weigh the importance of algorithmic modeling capabilities — i.e., using math models such as regression analysis to create a fully custom evaluation of a marketer's interactive advertising. Vendors that offer algorithmic modeling often achieve more accurate results. However, creating custom algorithms can be time-consuming — and solutions with little or no algorithm-based modeling, while typically less accurate, are also more scalable and user-friendly. In the end, we decided to make custom algorithmic modeling one of several key criteria, alongside ease-of-use and actionability. The evaluation uncovered a market in which (see Figure 2):

- **ClearSaleing, Atlas, and Visual IQ lead the pack.** Each Leader brings something different to the table, offering some but not all of the key features mentioned above. ClearSaleing, a site and media analytics tool, takes top honors because it comes closest to a complete attribution solution. ClearSaleing offers the most advanced, easy-to-use solution that is also broad in scope, and it backs it up with top-notch custom analytics. Atlas, on the other hand, is for the "typical" marketer and may be the most effective at changing how the display and search market measures its campaigns: It provides few custom attribution capabilities, but its models are baked into its popular ad-serving tools, making its solution extremely user-friendly. Finally, Visual IQ offers a beautifully designed standalone reporting tool that provides rich attribution measurement across a broad range of channels as well as depth within single channels, but it works best for large, sophisticated clients who want a hands-on experience.

- **[x+1] and Coremetrics offer competitive options.** Not far behind the Leaders are two Strong Performers. [x+1] impressed us with its full-service offering, which includes some of the richest algorithmic analytics of the group; it also handles the media buying for the client. It doesn't currently offer a client-operated tool, so the clients best suited for [x+1] would be those that want the vendor to help them interpret and act upon the data they're collecting. Coremetrics' client-based technology solution is at the other end of the spectrum from [x+1]. Coremetrics has a great service offering built on top of the tool but doesn't offer an algorithmic solution. It is well suited for marketers just starting to use attribution to measure "late funnel" activities such as search, affiliate, and email. It recently expanded its offering to include display impressions.

- **Theorem and TruEffect lack the breadth and depth of the other offerings.** Theorem and TruEffect both excel in their understanding of the attribution problem, work hard to ensure the quality of the data inputs, and grasp the need for custom algorithmic modeling to really get to the right answer. However, both are very small, and, as a result, neither has the breadth or depth of offering to compete with the other vendors in our analysis. Theorem typically operates as a behind-the-scenes shop for customers who have significant analytics capabilities in-house but need additional manpower to clean, organize, and apply statistical models to their data. Most of its experience is either with search or on the publisher side. TruEffect, on the other hand, offers sophisticated attribution modeling, but its reporting is not as intuitive as other offerings, and it is built into a display-ad-serving tool that has a small footprint in the market — meaning marketers would have to switch ad servers to use its attribution product.

This evaluation of the interactive attribution market is intended to be only a starting point, particularly given such a wide range of product and service offerings. We encourage readers to view detailed product evaluations and adapt the criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool.

Vendors Must Show Improvements In Three Key Areas

Interactive attribution has a lot of room for improvement. In order to defeat the last-click measurement model that dominates the market, vendors must:

- **Bake custom analytics into automated reporting.** Vendors must deliver custom models through automated reporting that is easy to understand. The only vendor that offers a tool that automatically reports algorithmic modeling in this way is Visual IQ; the others offer either custom algorithmic reports or canned reports that don't use algorithmic modeling. This functionality will soon be more common: Many vendors have automated algorithmic reporting on their road maps.

- **Develop algorithmic modeling that runs in real time.** Many of the current solutions are meant to be run quarterly or monthly as part of a media mix evaluation, rather than as part of daily campaign tracking. Vendors must make attribution reporting more dynamic and accessible on a daily basis.

- **Tie attribution insights to media-buying directions.** Most interactive marketing campaigns are actually run by relatively junior members of a marketing team. Vendors must create easy-to-follow suggestions for media buyers in order for their outputs to be truly actionable at the strategic and campaign level. Vendors must also work to improve the integration between their offerings and commonly used marketing tools, including ad servers and site analytics platforms.

Figure 1 Evaluated Vendors: Product Information And Selection Criteria

Vendor	Product(s) evaluated	Product version evaluated	Version release date
Atlas	Engagement Mapping	Beta 2	N/A
ClearSaleing	Attribution Management product	4.3	August 2009
Coremetrics	Coremetrics Analytics, Search, Explore, Impression Attribution	7 (Search); 4 (Explore)	February 2009 (Impression Attribution) and May 2009 (Analytics)
Theorem	Theorem Analytics	3.0	May 2009
TruEffect	TruAdvertiser	3.0	August 2009
Visual IQ	IQ Insights, Envoy, Sage	3.0	April 2007
[x+1]	Attribution Modeling service	N/A	N/A

Vendor selection criteria

Does the vendor offer an algorithmic attribution solution, whether as a core product or as part of a larger product suite?
Does the vendor own a proprietary technology platform for executing this solution?
Does the vendor have multiple clients implementing this solution as of August 2009?

55372   Source: Forrester Research, Inc.

Figure 2 Forrester Wave™: Interactive Attribution, Q4 '09

Source: Forrester Research, Inc.

Figure 2 Forrester Wave™: Interactive Attribution, Q4 '09 (Cont.)

	Forrester's Weighting	Atlas	ClearSaleing	Coremetrics	Theorem	TruEffect	Visual IQ	[x+1]
CURRENT OFFERING	50%	3.68	4.05	3.35	3.32	3.23	3.85	3.86
Background information	1%	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current attribution offering	99%	3.72	4.10	3.39	3.36	3.27	3.89	3.90
STRATEGY	50%	3.67	4.05	3.59	2.29	2.29	3.61	3.19
Strength of management team	5%	5.00	5.00	3.00	3.00	3.00	5.00	5.00
Corporate strategy	35%	3.25	4.00	4.00	2.00	2.00	2.75	3.25
Product strategy	60%	3.80	4.00	3.40	2.40	2.40	4.00	3.00
Cost	0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MARKET PRESENCE	0%	4.08	3.15	3.78	1.65	1.50	1.74	2.99
Customers	30%	2.50	3.60	3.30	2.40	2.40	3.00	3.00
Financials	60%	5.00	3.00	4.00	1.00	1.00	1.00	3.00
Employees	10%	3.30	2.70	3.90	3.30	1.80	2.40	2.90

All scores are based on a scale of 0 (weak) to 5 (strong).

Source: Forrester Research, Inc.

VENDOR PROFILES

Leaders: ClearSaleing, Visual IQ, And Atlas Lead The Pack

- **ClearSaleing.** ClearSaleing's attribution offering is easy to use, sophisticated, and relevant for a wide variety of interactive marketers. ClearSaleing is an easy-to-install standalone product rather than a feature of a larger offering, but it is still relatively affordable and scalable for a range of clients. ClearSaleing was initially designed to help search and retail marketers see the paths that customers took to conversion. From there, ClearSaleing evolved significantly; it now encompasses a wide range of interactive channels, including display, affiliate, and email. Through a partnership with Vetra Analytics, ClearSaleing offers the best of both rich custom modeling and easy-to-use reporting. All of the clients we spoke with were fiercely loyal to ClearSaleing, citing its high level of service and its commitment to high-quality insights. However, there are some drawbacks: Marketers must endure a setup period to integrate the tool with all media-buying inputs; clients cannot seamlessly use ClearSaleing's insights to drive media purchases as they can with Atlas, for instance; and Vetra's algorithmic analysis is not included as standard. Its road map promises to integrate Vetra's modeling capabilities further into the system as well as to increase the actionability of the tool, making bidding and media allocation a standard feature.

- **Visual IQ.** Visual IQ works best for large enterprise clients and agencies. It was designed as a central dashboard, where marketers can input data from their search, email, display, site, and other interactive channels and receive customer and measurement insight as a result. The tool provides easy-to-interpret reports for both strategic- and campaign-level attribution; it automatically reports the right attribution value as "TrueMetrics." While marketers can tweak the outputs by weighting channels or campaigns to their liking, Visual IQ's attribution reporting is initially set up as a black box powered by a set of algorithmic calculations. The advantage of this method is that marketers get seamless reports that are easy to act upon. The disadvantage is that it is difficult to verify the accuracy of the data, although Visual IQ does put a lot of stock in ensuring the accuracy of the data coming into the system. Visual IQ has a boutique startup presence in the market; it is very small and has only a few big clients using the tool to its full capacity. It is also relatively expensive and requires a large amount of monthly spending (i.e., many inputs across channels) to provide valuable insights.

- **Atlas.** Atlas is the right choice for display-oriented marketers who want attribution reporting built in to their ad server. Atlas offers its Engagement Mapping attribution product as a standard, integrated part of its display-ad server. It allows reasonably easy integration with many other channels, especially search and email and particularly if the client is using Atlas search or email tools. Atlas has done a good job of including what attribution best practices it can without sacrificing the self-service, scalable nature of its ad server. Interactive marketers can run the model any time they would like to. The reports are easy to understand, and actionability is relatively self-explanatory. The thinkers that Atlas employs within the Microsoft Advertising Institute have created a few static models specifically for direct response or brand goals, or clients can input their own values, but Atlas doesn't offer algorithmic modeling, which could be a big problem for the marketer who wants not just easy-to-use tools but rich insight as well.

Strong Performers: [x+1] And Coremetrics Offer Competitive Options

- **[x+1].** Many interactive marketers would benefit greatly from having a partner guide them through the process of aggregating data across media, applying custom attribution analysis to it, generating insights that will improve their media buying, and then doing the media buying for them — and this is exactly what [x+1] offers. [x+1] offers attribution as a service, not a tool, and it doesn't currently apply attribution insight to every campaign on a dynamic level. Rather, it applies attribution periodically throughout the buying cycle to help with the more strategic media allocation process. [x+1]'s clients were some of the most sophisticated that we spoke with and cited the vendor team's intellect as well as its high level of flexibility and responsiveness as big pluses. Its road map promises to build out the internal tools that it uses in order to make the process faster and easier as well as to allow for more seamless media buying.

- **Coremetrics.** Coremetrics' solution is not designed for the strategic media planner who wants to evaluate large display or other brand buys but rather for the marketing practitioner who

wants to understand consumer movement between two channels or within one channel, such as from unbranded to branded keyword terms. While Coremetrics offers marketers the ability to input data from virtually any type of interactive media, the clients we talked with mostly focused on "bottom of the funnel" marketing, such as search, affiliate, and email. It offers no algorithmic modeling but instead specializes in equal credit and custom weightings. Marketers have the option of entering their own weights into the tool as well. Coremetrics has an impressive road map and a track record of delivering on its promises, so look for an increasingly sophisticated offering in the near term.

- **Theorem.** Theorem operates in a valuable niche of the attribution market: data cleansing. It ensures that marketers have fully accurate insight into where their media buys — mostly search, but potentially any type of media — overlap and where they can cut back while still reaching the same audience. Additionally, Theorem provides the foundation that marketing/data analysts need in order to perform rich analytics on past consumer behavior. However, it doesn't specialize in reporting, nor does it offer a tool that helps marketers physically enable the changes to their media-buying plan. Rather, Theorem's service typically provides marketers with a deep-dive snapshot that serves to guide strategic media-buying plans.

- **TruEffect.** TruEffect offers customers a flexible display-ad-serving tool that comes at a reasonable price — with the added bonus of relatively sophisticated regression-based attribution reporting that can also include inputs from a variety of other channels, including search and email. TruEffect places a high level of importance on scrubbing data to improve its accuracy and eliminate overlap and double-counting across campaigns. The reports are not seamlessly integrated with the ad-serving tool — so clients typically use them on a quarterly basis to help with campaign planning. TruEffect is a small startup with only a few clients currently using these features. While it offers some level of support to clients, the tool is largely meant to be self-service.

SUPPLEMENTAL MATERIAL

Online Resource

The online version of Figure 2 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

Data Sources Used In This Forrester Wave

Forrester used a combination of two data sources to assess the strengths and weaknesses of each solution:

- **Product demos.** We asked vendors to conduct demonstrations of their product's functionality. We used findings from these product demos to validate details of each vendor's product capabilities.

· **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with three of each vendor's current customers.

The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we then narrow our final list. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and we encourage readers to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve.

ENDNOTES

[1] When Forrester surveyed 119 interactive marketers from a range of industries and company sizes, online marketers rated their ability to measure the effect of direct response campaigns at an average of 6.3 out of 10. See the July 15, 2009, "Committing To Meaningful Digital Metrics" report.

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