

Gap Closing Between Paid For And Free Analytics Tools

Contributed by Lynchpin Analytics
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The human touch is still the answer when it comes to understanding online behaviour and shaping digital strategy, a survey of 800 UK businesses has revealed.

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Econsultancy in partnership with Lynchpin has published the results of their second annual survey of the UK analytics sector.

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The survey shows that 12 months on, UK businesses are still not getting a good return from online analytics and that people, expertise and resource are the answer, not technology.

Companies are gradually shifting their spend from technology to internal staff and consultancy, but it's a very slow trend.

The increase in client-side analysts has been minimal. Yet companies still claim to be trying to grow their investment in people.

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Andrew Hood of Lynchpin comments: Â
"While the technology gets more and more sophisticated (and arguably more accessible from a cost perspective), the challenges in interpreting and actioning the data only get bigger. Resource is still a massive issue, and while companies are looking to increase spend on people there looks to be an underlying skills shortage operating against this."

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Omniture's market share of paid tools has grown from 18% to 42% in the space of a year and WebTrends has dropped from 27% to 19%. Â

80% of companies are using Google Analytics compared to 66% last year.

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This indicates the market is rapidly polarising into two camps, with free Google Analytics at one end and tools like Omniture at the other.

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More importantly, there is very little difference in the value of free or paid for analytics with more than half of the companies surveyed reporting they are still failing to get any return on their investment in paid web analytics tools.

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The barriers to getting return on investment remain lack of education, strategy and senior management buy-in.

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There are still more than twice as many self-employed web analytics consultants than those working in web analytics consultancies, which suggests this end of the market is still highly fragmented.

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Linus Gregoriadis, research director at Econsultancy, said:
"Companies are focusing on analytics which help them improve both customer acquisition and customer retention. They are prioritising information requirements which relate directly to business efficiency."

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He added:
"There has been a shift from spending on technology to spending on internal staff but there are still too few companies with an internal strategy that ties data collection and analysis to business objectives."

A full copy of the report is available from <http://econsultancy.com/reports/online-measurement-and-strategy-report>

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