This is Jonathan Kwoh with Radio Tuck and I’m here with Larry Bohn from NetGenesis, who does web analytics and that’s both a tool and a service.

**Could you tell us a little bit briefly, for people that might be unfamiliar with it, exactly what analytics is?**

NetGenesis works with leading eBusiness and Fortune 1000 companies who have a big stake in building websites to touch customers and what we do is help those companies understand the financial performance of their business initiatives. So we sell software that measures the activity of what’s going on in the website. Then we have services to help those customers interpret the data that’s presented.

And, as companies develop a system where they have different channels now look at cross channels, is that a role that your service and tool work with?

Yes, absolutely. So a lot of our focus in the past has been to service those customers who are building new websites and looking at the online channel as something new for their business and increasingly what we’re doing is working in what we call cross channel analytics, or multi channel analytics. So a customer can measure the effectiveness of their websites in the context of other channels, whether those be call centers, retail stores, or a traditional sales force automation systems. So business managers can get a view of their customers independent of systems that touch them.

**What have you seen in terms of trends from your customers’ side in terms of how they view and how they treat their online channel?**

I think what’s become important – all the customers are under a lot of financial pressure to show the return on investments of their online channel. So rather than just looking at simple measures of activity, which used to suffice, things like page views and hits and click streams, they’re now looking at very specific metrics – we call them emetrics – this might be return on content, like customer segments, or it might be looking at the most profitable customers or the lifetime value of particular customer segments. It tends to reflect the actual purpose of the business they’re in so, in financial markets, they might be looking at who are the most active traders, or who the most profitable customer might be. Who are the best advertisers?

Seeing this is along the CRM space, I talked to someone from Konna who talked about how Oracle was building themselves up as not just ERP, but trying to absorb CRM and use their big size to basically equate this whole integrate solution and knock out a lot of small players. Is that a real challenge for someone in your area?
Yes, I think that from a technology, actual product standpoint it isn’t really because we have the strength in the ebusiness analytic space that it’s very differentiated than what an Oracle or another traditional company might bring. Where it is challenging though is that Oracle has a big name, they have a big brand and they have lots of customers so that they can put a lot of thud in the market. So, if they claim to offer a capability, it means from a sales standpoint it’s up to us to counteract that, differentiate ourselves, etcetera. So, whereas two years ago where the market was so new everyone was rushing to specialty vendors, in a more conservative market, people might look first at their traditional vendors, especially their bigger vendors before resorting to a supplier.

**So what kind of future trends are you seeing in the web analytics field?**

In principle, what we’re seeing is a strong movement, as you saw, towards multi channel solutions being able to tie the web to call centers, being able to tie the web to other emarketing channels, to direct marketing channels so that business managers can make intelligent decisions about what to do on the web versus in person, versus through the telephone. We’re also seeing sort of a movement toward predictive analytics. So rather than just look at existing activity and say ‘what happened’ and maybe ‘why,’ customers are increasingly looking at being able to predict future behavior based on data mining technology or other kinds of predictive technologies, so that they can get a handle on their customers who might be likely to leave before they actually leave.

**So, as far as this personal information, has that been like a real challenge for these companies? Has there been a lot of resistance from customers, have you seen that?**

Well companies, I think are learning. A lot of companies made a lot of mistakes in thinking that if they ask for information from customers, they could easily get it. Typically, the sites that work for us are those that do incremental collection of information about customers. So maybe at first you register with your email address and over time, as you want more personalized service, you basically divulge more personal information. So basically, you build a relationship over time and that relationship deepens – you get better service and the site knows more about you. But if you ask for everything up front, customers will run and hide.

**Well it’s been great talking to you. Thank you for talking to Radio Tuck.**

My pleasure