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Business of analytics: Measuring up in a digital world

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Counting clicks doesn't measure up anymore in a data-driven economy

Welcome to the digital world, where anyone who uses the internet is probably a statistic. The digitisation of our lives has generated an unprecedented surge of data prompting companies to pay big money for information to be collected, dissected and analysed so as to best reach their customers and make a sale.

Not many, however, are aware of how to fully exploit opportunities in the new data-driven economy, says **Joe Nguyen**, Senior Vice President for Asia Pacific at comScore, a global data and digital analytics firm.

“Companies don’t know who to target,” Nguyen told *Perspectives@SMU*. “They don’t understand the difference between a market-level report and a Google Analytics report. Their view is internal-to-outwards.

They don't know which websites they are competing against. They may know their own numbers, but they don't know what everyone else's numbers are."

Looking beyond the clicks

Up until recently, many companies are equipped with tools that give them information about the visitors to their website: how many of them there are, what countries they visited from, where they were online before they came to the site, how long they stayed, and where they went afterwards. "On-site analytics" tools like Google Analytics or Web Trends are easily available for companies to collect such data. What they are missing out on is an analysis of their website as a part of the whole digital ecosystem which could include the measurement of a website's potential audience, its visibility or relevance on the internet.

That's what "off-site" data providers like comScore and Nielsen can do.

Nguyen says, "Just as there are ways to measure advertising on traditional mediums such as TV and print, we have different products to do that for digital media. Most companies only look at click-throughs or data that is related to e-commerce."

According to Nguyen, comScore recruits users to participate in panels chosen to represent the demographic characteristics of the whole user population. The activities of this sample of users are tracked and aggregated to give an estimate of what all users are doing.

"In Singapore there are about 50,000 people who allow us to monitor them. We have software that tracks what they do with their permission, and we publish what they do on a monthly basis on where they go and their demographics such as gender, age, etcetera," explains Nguyen.

The panel-based method monitors the actual behavior of each computer in the comScore user sample with knowledge of the location of each machine and the individual using the machine.

Measuring up to different business needs

While Google Analytics, one of the most widely used analytics solutions has revolutionised online analytics because of its easy-to-use interface and comprehensive metrics, Nguyen says it is a limited tool.

He adds that they are not geared towards full-blown enterprise capabilities such as adjusting data and tying it to other data. "For example, to understand video consumption, you want to know the demographics of those people, where else those people go, and then segment all that data in different ways. Google Analytics is not built for that."

Making analytics count

Ultimately, businesses and stakeholders are all looking for more reliable metrics and precise feedback they can use to maximise profit. So is it possible to put a dollar value to advertising effectiveness in the digital space? Not everything has to be measurable down to a click, Nguyen explains. "Media advertising is not about e-commerce. What's happened over the years is that digital is a very good medium for direct response but it has not been fully utilised as a branding medium. You get feedback from digital and mobile channels which you don't from print and TV."

Indeed, thanks to the interactive nature of digital media and advanced technology, analytics can paint a more accurate picture of the customer which in turn enables businesses to make strategic decisions. There is no shortage of digital tracking solutions from which companies can choose, due to the rapid growth of internet users.

A recent comScore report revealed that 644 million internet users which accounts for more than 40 percent of the world's online population are in Asia Pacific. Southeast Asia takes up 10 percent of that market share. The numbers across the region continue to grow at a much greater pace than anywhere in the world. This phenomenon is in part because of increased internet traffic from mobile devices.

The reality that more people are plugged in to their personal devices offers businesses a golden opportunity to tap into digital analytics.

An opportunity that any brand hoping to operate competitively could ill-afford to miss.

Joe Nguyen was the panel moderator at the digital:works 2013 certification workshop organised jointly by SMU's Centre for Marketing Excellence and the Omnicom Group