



Audit Bureau of Circulations



Part one in a three-part series.

A Point of View By

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A Look at Panel-Based and Server-Based Online Audience Measurements and the Role of Third-Party Auditing

The Internet is arguably the most measurable media in history. Numerous options abound for online publishers seeking to measure the health and viability of their Web sites. Not surprisingly, the wealth of choices also causes a lot of confusion about the underlying differences between the many forms of measurement.

This article is the first in a series of three intended to address the confusion surrounding the different online measurement options, the methods that each measurement company uses to determine unique users and page views, and the future of Web site measurement methods and metrics.

In this article, we'll focus solely on the two primary methods used to measure a Web site's audience and the role of third-party auditing in providing independent verification for either method.

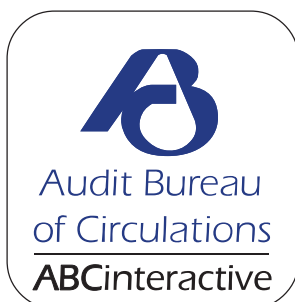
Panel-Based Audience Measurement

The most recognized online panel-based audience measurement companies are Nielsen//NetRatings and comScore Inc. These companies gather a sample panel of Internet users and track each user's specific Internet usage habits. Typically, this includes installing a piece of software on the panelist's computer that tracks their activity when they are online. These companies then project the usage and habits of the entire U.S., or Canadian, Internet population based on the data gathered from its panelists. The size and diversity of the panel are essential to projecting statistically accurate numbers.

Server-Based Audience Measurement

There are numerous Web site analytics firms that provide useful measurements direct from a site's server or pages served from a Web site. Some of the recognized names in this area are companies like Omniture, Google Analytics, Visual Sciences and WebTrends. These companies track your Web site's traffic activity using two common methods. The first method involves installing a Java script tag on the pages of your Web site. The code is programmed to send the traffic activity data back to the Web site analytics firm. The analytics firm then takes that data and produces a report for you. The second method allows you to upload the log files from your Web site to a software program that also produces a summary report.

The server-based measurement method tracks almost 100 percent of the traffic activity on your Web site, and may include some misleading activity such as internal traffic, duplication and spiders and robots. While you can set up filters to remove some misleading activity, this requires constant maintenance and updating since new spiders and robots are created frequently.



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Online Audience Measurements - 2

Web sites using server-based measurements may also experience inflated traffic data due to user cookie deletion. Cookies are small text files stored on the user's computer that collect a variety of data that identifies the user. Some users delete cookies from their computers or reject cookies as part of their Web browser settings. What does this mean? Since cookies identify unique users, cookie deletion can cause the same PC user to be counted as multiple visitors therefore inflating the Web site's overall traffic activity. Cookie deletion inflation may be offset by users that reject cookies or multiple users accessing the same computer.

These are some advantages and disadvantages to both forms of audience measurement:

	PROS	CONS
Panel-Based Measurement	<ul style="list-style-type: none">• Panel participants can also supply detailed demographic data.• Panels may be better suited to eliminate duplicative traffic (home and work).• Used by most large national advertisers/agencies, primarily for demographics.• Good option for measuring large sites with national audiences.	<ul style="list-style-type: none">• Size and diversity of panel are imperative for accurate numbers.• Data may be volatile from month to month, due to the number of panelists in the survey.• Potentially limited at-work activity.• May not adequately measure smaller or geographically narrow sites or sites with significant foreign-based traffic.• May not track traffic from many new mobile devices.
Server-Based Measurement	<ul style="list-style-type: none">• Tracks nearly 100 percent of the actual Web site activity recorded at the server level, including work-based, military, and foreign traffic as well as mobile devices.• Log files are able to provide detailed user behavioral actions such as top pages, sections and user pathing through your site.• Good option for sites not covered by panels.• Ad delivery and measurement are also server-based.	<ul style="list-style-type: none">• User cookie deletion can inflate overall traffic numbers.• New spiders and robots can create misleading activity if not properly filtered.• One user accessing the Internet from multiple computers may create duplication.• Does not provide audience demographics.

The Role of Auditing Companies

You may have read about the Interactive Advertising Bureau's call for Nielsen//NetRatings and comScore to undergo MRC accreditation. This type of accreditation audits companies' underlying software or methodology used to generate the data, but not audit or report data that is specific to a selected period of time.

ABC is working with the panel-based audience measurement companies –Nielsen//NetRatings and comScore – to develop an audit program to verify specific key statistics generated by panels for inclusion in the new U.S. daily newspaper Audience-FAX reporting initiative.

Online Audience Measurements - 3

For publisher's using server-based audience measurement, ABC already offers an audit to verify the data produced by the log files. A Web site's server, or your analytics company, maintains a complete record of all activity that occurs on the site. These records are called log files and are rich with data about your site's traffic such as the number of unique users, page views, top requested pages and more. During an ABCi traffic audit, auditors conduct specific tests designed to detect and remove misleading activity from your log files, including non-human generated activity, internal activity and spiders and robots. The final output of the audit is a verified report that accurately portrays your Web site's total traffic activity.

Recordkeeping vs. Verified Data

To better understand the difference between the report produced for you by an analytics firm, such as Omniture, and a report produced as the result of an ABCi traffic audit, I'd like to share an analogy with you. This will be especially helpful to those of you familiar with the periodical publishing industry.

Every year publishers undergo an audit that verifies their circulation by distribution channel and ensures that it is compliant with industry standards. Throughout the year, they maintain a variety of circulation records that are needed to conduct and support the audit. These circulation records are just like a Web site's log files. Some ABC periodical members choose to have their circulation records maintained by a fulfillment company such as Palm Coast Data or Kable. Think of these fulfillment houses as a Web site analytics firm. The analytics firm may do a great job of maintaining records and providing neat summary reports, but it doesn't verify that the traffic complies with industry-standard guidelines and is properly recorded—just like a fulfillment house does not guarantee the quality of a magazine's circulation practices. That's where an independent third-party audit plays an important role—examining and substantiating the accuracy of a Web site's traffic claims and ensuring it meets industry standards.

Next in the Series

I'm sure your next question is, "How can a Web site's numbers vary so widely depending on the measurement company?" In the next article in this series, I will examine how each of these types of Web site traffic measurement companies can generate a different number for two of the most common metrics – unique users and page views.

For More Information

ABC can help you better understand the key trends and issues in online auditing. For more information on ABC's interactive audit services, members are encouraged to fill out an [online request form](#) or contact ABC's Melissa Pugh, manager, marketing and sales, at (720) 324-0558 or melissa.pugh@accessabc.com.



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About ABC

With more than 4,000 members in North America, ABC is a forum of the world's leading magazine and newspaper publishers, advertisers and advertising agencies. The organization provides credible, verified information essential to the media buying and selling process. ABC maintains the world's foremost electronic database of audited-circulation information and an array of verified readership, subscriber demographics and online activity data. To learn more, visit <http://www.accessabc.com>.



Bill Perry joined ABC in 1985 as a newspaper field auditor. He joined ABC Interactive (ABCi) in 1997 as manager of interactive auditing and was promoted to

director, special projects in 2000. Perry's current responsibilities include leading a team of auditors in a variety of non-traditional auditing projects including Web activity, insert verification and centralized audits. He has twice received ABC's prestigious Deneen Award for staff members that have gone above and beyond the call of duty. Perry earned his bachelor of science degree in accounting from Indiana University.