



CARDINALPATH

REPORT | DECEMBER, 2015

STATE OF DIGITAL MARKETING ANALYTICS IN THE TOP 500 ONLINE RETAILERS



ANALYTICS IS BOOMING. According to Gartner's recent survey on data-driven marketing, two out of three companies plan to grow their analytics teams, and analytics' share of marketing budgets has increased to 34% (up from 21% in 2013).

More than ever, marketers are being tasked with understanding the customer journey, and improving customers' experience across that journey to gain competitive advantage. A big part of this is assigning value to the many marketing-driven touch-points taking place across multiple channels and devices - which is why digital marketing analytics is so critical to achieving success.

As more advanced analytics applications, such as predictive and attribution modeling, personalization, and machine learning become *de rigueur* for marketing teams, there's a bigger expectation to see returns on marketing investments. In the past several years, the complexity of the marketing technology landscape has exploded. In addition to the traditional web analytics tools, marketers now have to wrap their minds around DMPs, ad networks, social networks, retargeting tools, and conversion testing tools, to name a few.

Analytics platforms, while a mature market, are evolving to help marketers manage this complexity. Nowhere is this more evident than in the [Internet Retailer Top 500](#) organizations, and in this report, we've outlined the use of two key digital analytics solutions within the top 500 online retailers:

**Analytics
Platforms**

**Tag Management
Systems (TMS)**

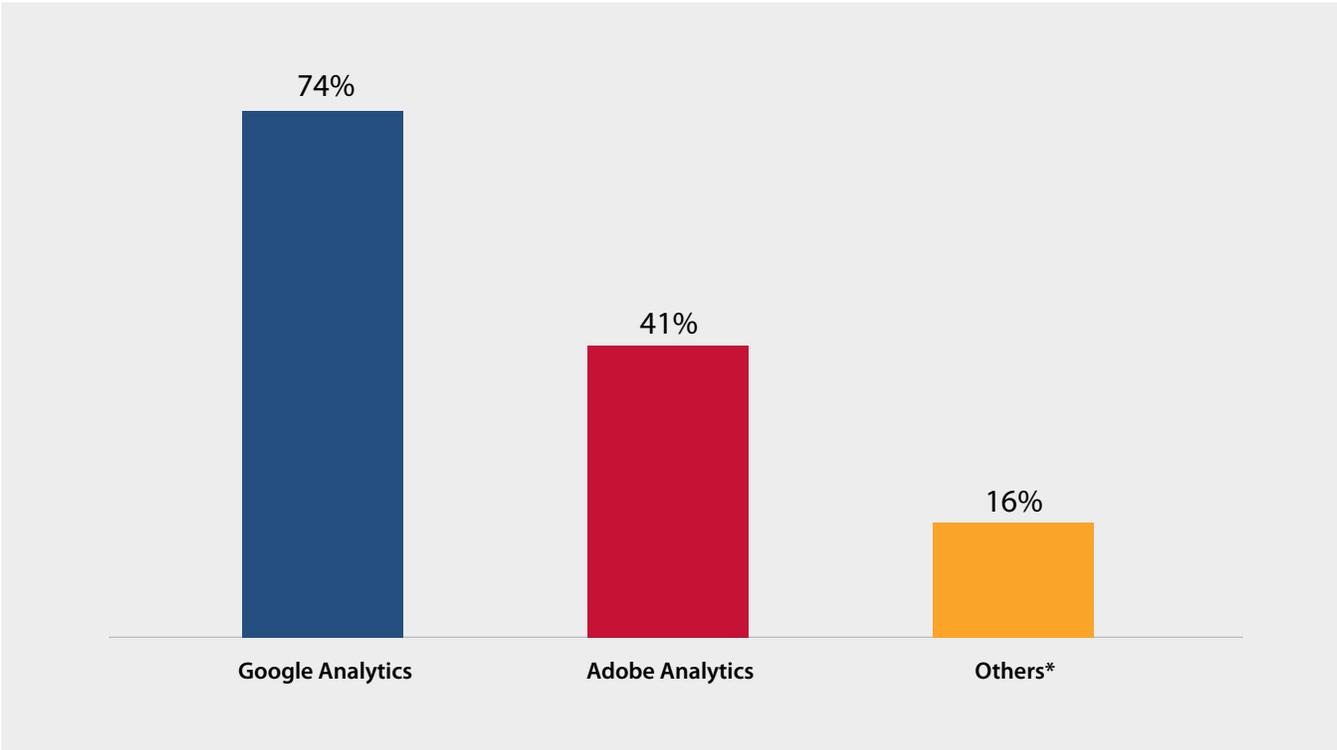
You will discover which platforms dominate the marketplace across various industry segments and verticals, and learn about the way leading ecommerce organizations are managing the collection of data from their websites.

[1] [Marketers Embrace Analytics and Look for Talent](#), Gartner, September 2015

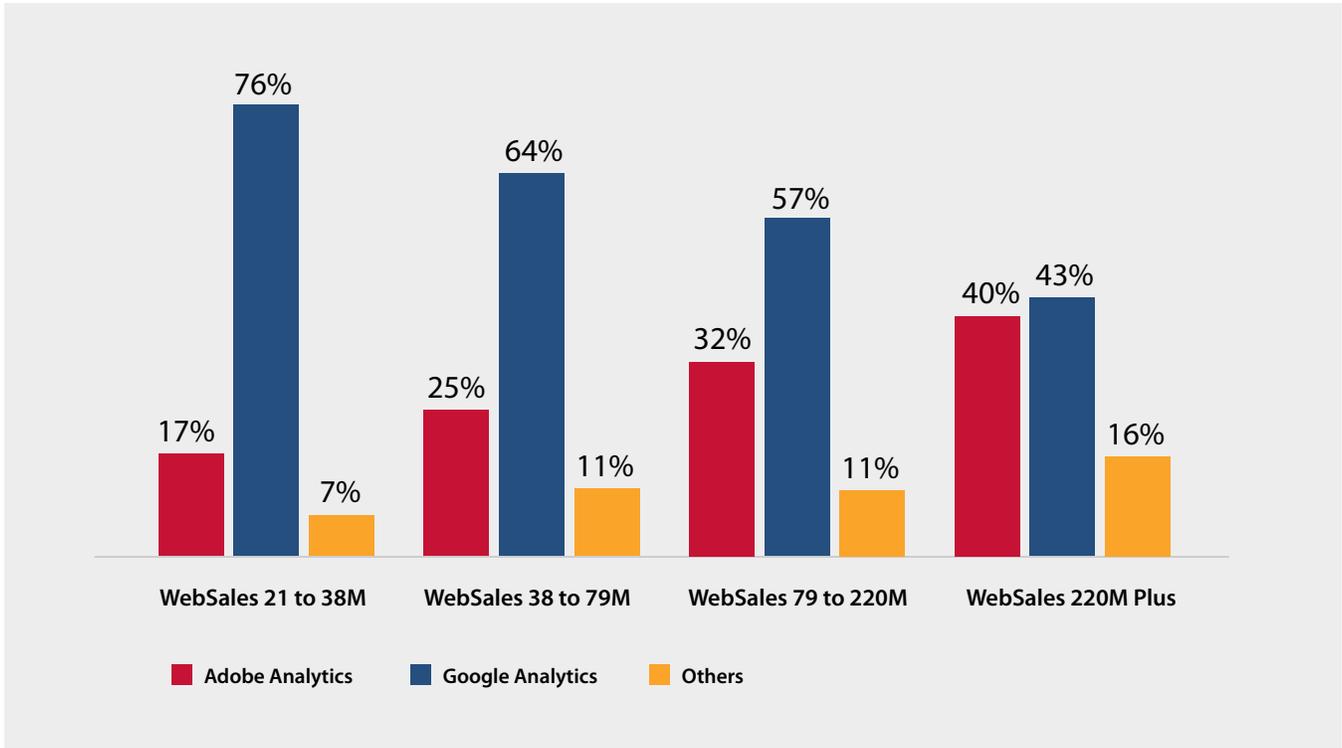
WHEN IT COMES TO ANALYTICS PLATFORMS, MORE IS MORE.

Overall market share across platforms within the [Internet Retailer Top 500](#) (IR Top 500) exceeds 100% due to many organizations' implementation of multiple analytics platforms. Google Analytics has 370 implementations (74% of retailers), and Adobe Analytics has 206 implementations (41% of the retailers).

For the purpose of perspective, we created a category called Others, which includes a number of platforms, led by IBM Digital Analytics (formerly Coremetrics) and WebTrends, with a combined market share of 16%.



Analytics Platform Implementation by Size in Web Sales



Top ten online retailer highlights:

Seven Adobe Analytics implementations

Six of the seven retailers with Adobe Analytics also have Google Analytics

Two IBM Digital Analytics (formerly Coremetrics) implementations

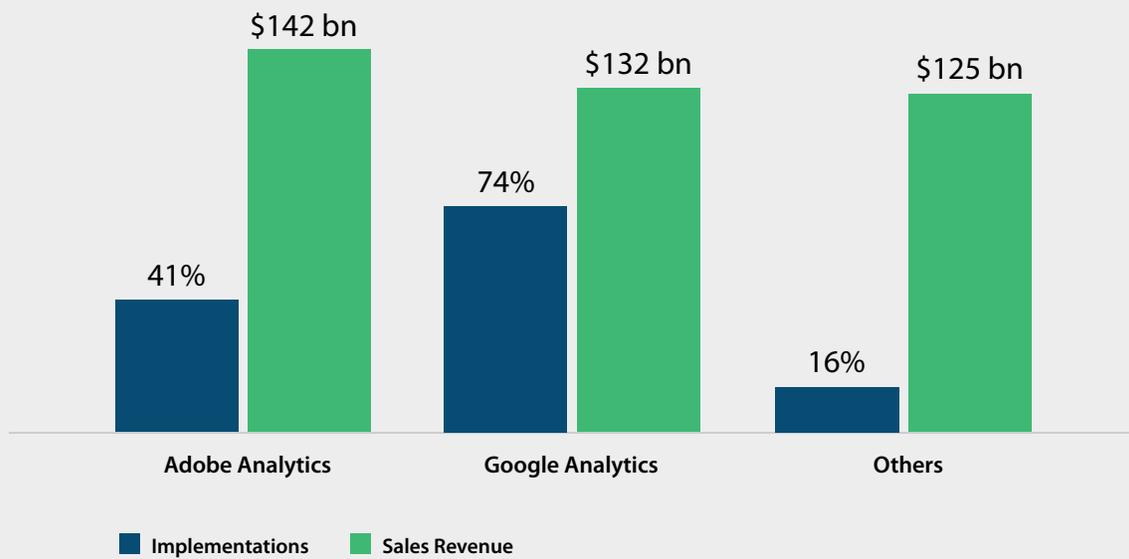
One standalone Google Analytics implementation

Another two retailers in the top 15 – both of the Mass Merchant category – have custom, in-house analytics implementations.



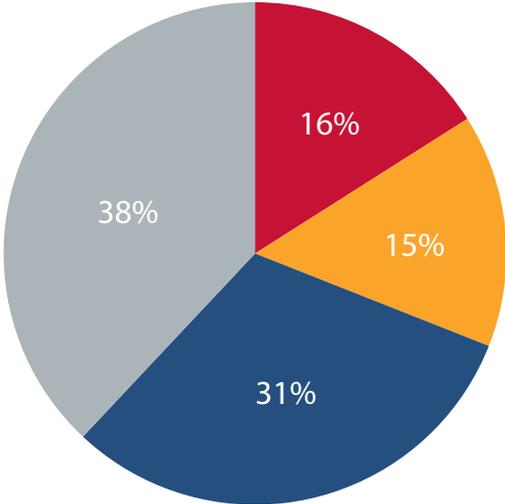
While Google Analytics leads Adobe Analytics in terms of the number of implementations, Adobe Analytics leads Google Analytics by 8% when it comes to the value of transactions processed by these retailers.

Analytics Implementations by Revenue



ANALYTICS BY RETAILER TYPE & MERCHANDISING CATEGORY

The Internet Retailer Top 500 Guide divides retailers into four types:





ANALYTICS BY RETAILER TYPE

Google Analytics has the highest penetration in Consumer Brand Manufacturer type retailers where it holds 77% of market share. 75% of Web Only retailers have Google Analytics, while 25% have Adobe Analytics implemented. However, Web Only retailers tend to be on the lower end of the annual online sales scale among the four retailer types.

Adobe Analytics' market share in Consumer Brand Manufacturer (58%), Retail Chain (50%), and Catalog & Call Center (47%) type retailers is significantly high when compared to its overall market share of 41%.

ANALYTICS TOOL	OVERALL MARKET SHARE	CATALOG/ CALL CENTER	CONSUMER BRAND MANUFACTURER	RETAIL CHAIN	WEB ONLY
Adobe	41%	47%	58%	50%	25%
Google	74%	71%	77%	72%	75%

OTHER PLATFORMS BY RETAILER TYPE

Of note is IBM Digital Analytics' (formerly Coremetrics) 24% and 19% respective share across Retail Chain and Catalog & Call Center type retailers. Within Web Only retailers, IBM Digital Analytics has 5% of the market share.

ANALYSIS BY MERCHANDISING CATEGORY

Google Analytics extends its reach across all merchandising categories, with a market share of 92% in Housewares/Home Furnishings, 86% in Food/Drug, 81% in Books/ Music/ Video and 80% in Mass Merchants. These market shares are considerably higher than Google Analytics' overall market share at 74%. Adobe Analytics has a market share of 39% in Housewares/Home Furnishings, 36% in Food/Drug, 39% in Books/Music/ Video and 41% in Mass Merchants.

ANALYTICS TOOL	OVERALL MARKET SHARE	HOUSEWARES/ HOME FURNISHINGS	FOOD/DRUG	BOOKS/MUSIC/ VIDEO	MASS MERCHANTS
Adobe	41%	39%	36%	39%	41%
Google	74%	92%	86%	81%	80%

Adobe Analytics has a strong presence in Apparel/Accessories and Specialty with a 50% market share in each, 53% in Automotive Parts and 43% in Hardware. These are considerably high compared to Adobe Analytics' overall market share of 41%. Google has a 72% market share in Apparel/Accessories category, a 65% share in Specialty, 60% in Automotive and 70% in Hardware.

ANALYTICS TOOL	OVERALL MARKET SHARE	APPAREL/ ACCESSORIES	SPECIALTY	AUTOMOTIVE PARTS	HARDWARE
Adobe	41%	50%	50%	53%	43%
Google	74%	72%	65%	60%	70%

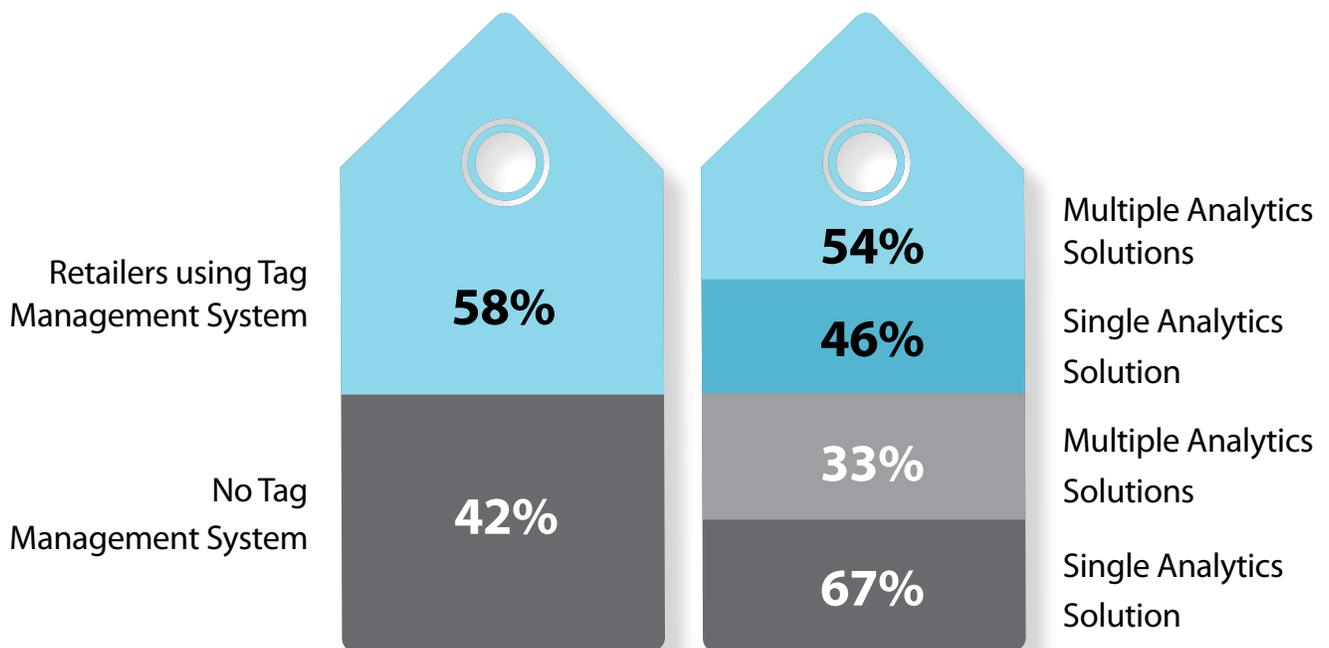
For both Adobe Analytics and Google Analytics, penetration in the Health/Beauty, Computer/Electronics and Sporting Goods categories is substantially below their overall market shares respectively.

TAG MANAGERS

A tag management system (TMS) makes it easier to manage the implementation of digital marketing technology for websites and helps to drive a more robust omnichannel experience. Using a TMS is considered to be a best practice for any website, and is particularly important for high traffic sites like the ones in the IR Top 500.

58% of the IR Top 500 are using tag management systems on their websites. The adoption of TMS' is arguably low, given that both Google and Adobe provide tag managers at no cost, in addition to the popular paid solutions including Ensignen Manage, Signal Tag Management, and Tealium iQ, among others.

Of retailers who are not utilizing tag managers, 33% also have multiple analytics platforms.

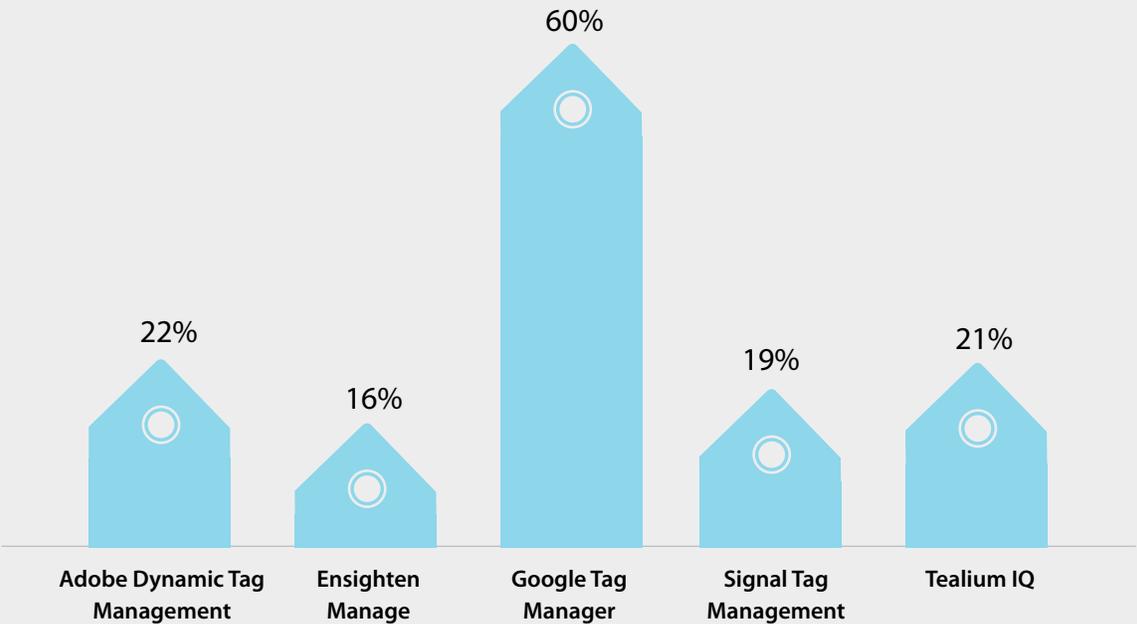




TAG MANAGERS

The total number of retailers in the IR Top 500 that are using tag managers is 292. Once again, the sum of tag managers is greater than 100% because retailers are using multiple TMS platforms. Google Tag Manager has 60% of the market share, Adobe Dynamic Tag Management has 22% of the market share, Tealium iQ has 21%, Signal Tag Management 19%, and Ensignen Manage 16%.

Tag Management Systems in the IR Top 500



SUMMARY

Adobe Analytics and Google Analytics continue to dominate the [Internet Retailer Top 500](#) with Google Analytics more widely deployed in all areas except the Top 10, where Adobe Analytics is deployed in seven out of ten organizations, tracking more overall revenue. Google Analytics is present alongside Adobe Analytics in six of these seven organizations.

Tag management systems are used by 58% of the [Internet Retailer Top 500](#). Google Tag Manager is the most widely used with more than half of the market share, while Adobe Dynamic Tag Management, Tealium iQ, Signal Tag Management, and Ensignen Manage each have a market share of less than 25%.

As a data and analytics advisor to the Fortune 1000, working across best-of-breed technologies in this space, we've presented these findings on the state of digital marketing analytics within the [Internet Retailer Top 500](#). If you'd like to learn more about analytics platforms, tag management, digital data strategies, analytics and website optimization, [contact us](#).

METHODOLOGY

The list of retailers were identified from the 2015 [Internet Retailer Top 500 Guide](#). For the purpose of this report, we have calculated market share using the 500 retailers as our denominator. In addition to identifying the top retailers, we employed Internet Retailer's classification of retailers by retail type (catalog/call center, retail chain, web only, etc) and by merchant categories (apparel/accessories, office supplies, computer/electronics, mass merchant, etc).

The [Internet Retailer Top 500 Guide](#) contains 263 metrics per retailer. To bring focus, we limited scope to the metrics most commonly used in the industry like Web Sales, Avg Sale Size, Conversion Rate, Web Growth, Monthly Visits, and Monthly Unique Visitors.

The website analysis was conducted using [WASP](#) in October 2015 with the aim of crawling pages on each of the sites and documenting the page tags.*

We identified the analytics platforms in use by these organizations. "Google Analytics" does not distinguish between Google Analytics and Google Analytics Premium. For the purpose of perspective, we created a category called Others, which includes a number of platforms, led by IBM Digital Analytics (formerly Coremetrics) and WebTrends.

* Some retailers may be collecting data server side or using a method that is not detectable using WASP.

RESOURCES

- 2015 Internet Retailer Top 500 | <https://www.internetretailer.com/top500/>
- **WASP**, the Web Analytics Solution Profiler

ABOUT CARDINAL PATH

Cardinal Path is a premier digital data analytics firm that works with the world's most prominent organizations to create, implement and action advanced analytics. Named **Most Influential Agency/Vendor of the Year** by the Digital Analytics Association in 2015, Cardinal Path is known for its industry leadership and for tools such as the **Online Analytics Maturity Model**, a framework for assessing enterprise-wide analytics maturity. Comprising dedicated teams of award-winning analysts, statisticians, academics, developers, and many of the top minds in the digital marketing space, Cardinal Path helps its clients to unlock the value of their data, sharing all that we know and empowering people to make confident business decisions.



ABOUT WASP

WASP, the Web Analytics Solution Profiler, comprehensively detects, analyzes, and intuitively displays the various JavaScript tracking tags and scripts that are loaded by websites. It solves a key business issue of the digital age: preventing marketers from making important decisions on wrong, or faulty, data by ensuring that the tags that generate data are deployed correctly and sending accurate information. With over 10,000 active users, WASP is the industry leader in quality assurance testing for analytics tagging.



ABOUT THE AUTHORS:



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Nick is an Associate Director of Digital Intelligence at Cardinal Path, where he is responsible for helping his clients improve their profitability by building their analytics capabilities. He returned to Cardinal Path for his second tour of duty, having completed his MBA at the University of Michigan Ross School of Business last year. At Cardinal Path, Nick has led analytics implementations for dozens of organizations in a wide variety of industries and has empowered client success across [leading retail organizations](#) and Fortune 500 brands including Intel and Chevron. Prior to joining Cardinal Path, Nick began his career in digital analytics at Google, where he managed Google's Analytics Guru team. He's also a [columnist for Marketing Land](#) where he shares his expertise on a variety of analytics and ecommerce topics.



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Amar is an Adobe Analytics expert with extensive experience in ecommerce. Prior to joining Cardinal Path, Amar worked for Dell where he led analytics efforts and site redesigns, and earned the Michael Dell Champions Award. With a flair for analytical deep-dives and transforming business requirements into analytics solution design documentation, Amar works with leading organizations to further their success through digital data and analytics, including Bridgestone, Heifer International, Bank of New York Mellon, and Chevron. Amar holds a degree in engineering from Guru Gobind Singh Indraprastha University in Delhi and an MBA in marketing from Symbiosis Institute of Business Management.