WebAnalytics**Demystified**
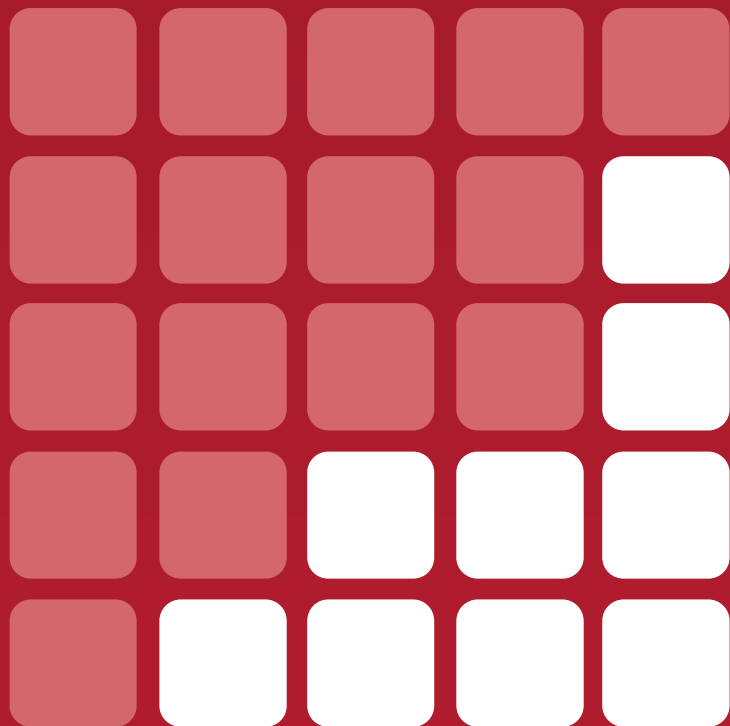
WEB ANALYTICS SALARIES 2007
INSIGHTS AND OBSERVATIONS FROM WEB ANALYTICS DEMYSTIFIED

Web Analytics Salaries 2007

Insights and Observations from Web Analytics Demystified

More than ever web analytics skills are in high demand, best evidenced by the sheer number of open positions looking for skilled practitioners: As of December 2007 there were nearly 2,200 jobs listed at Indeed.com looking for some type of experience with "web analytics", an increase of nearly 275 percent from February, 2005. Conversations with web analytics thought-leaders and estimates based on book sales, Web Analytics Association membership, and participation in the Web Analytics Forum conservatively estimates that there are fewer than 5,000 experienced web analytics practitioners in the world today, less than half of whom have at least three years of experience which seems to be the minimum experience most open positions are looking for.

Figure 1: Number of postings at Indeed.com looking for "web analytics" skills and experience
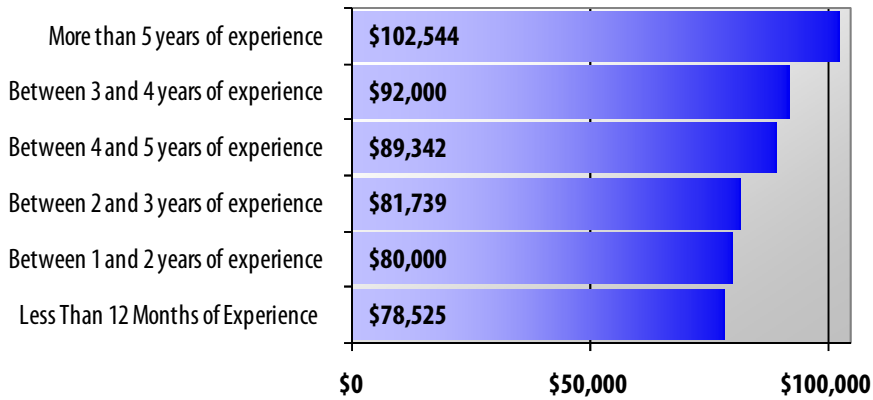

While the Web Analytics Association expanded their efforts in late 2007 by adding the University of California, Irvine to their existing efforts with the University of British Columbia, too few people have had the opportunity to take these classes of yet to have an impact on the overall market. And while a small group business programs and colleges around the country are following suit and adding web analytics to computer science, marketing, and business classes around the globe, this still small number of educational opportunities available to those interested in the field is unlikely to close the gap between job seekers and opportunities anytime soon.

The net result of this talent crunch is increasingly high salaries being paid to professionals having even only entry-level experience in the field: according to self-reported data collected in March of 2007, practitioners new to the field (less than 12 months of experience) working for companies based in the U.S. were earning an average of $78,524 USD in salary and bonus; for practitioners having at least five years of experience salary and bonus increases to $102,543 USD, an increase of 30 percent.

Figure 2: Average pre-tax earnings (including salary and bonus) for web analytics practitioners working for U.S.-based companies segmented by total experience in the field.

Experience	Average Earnings
More than 5 years of experience	$102,544
Between 3 and 4 years of experience	$92,000
Between 4 and 5 years of experience	$89,342
Between 2 and 3 years of experience	$81,739
Between 1 and 2 years of experience	$80,000
Less Than 12 Months of Experience	$78,525

Web Analytics Demystified Spring 2007 Survey, "How much experience do you personally have using web analytics tools?" (U.S. respondents only, n=294)

While this data is self-reported, these salaries are very consistent with data from other sources like Indeed.com ($73,000 USD average), ITJobsWatch ($39,267 GBP average, roughly $80,000 USD) and SimplyHired.com ($65,000 USD average) noting that each of these sites are unlikely to accurately reflect the amount that analysts are paid, only what companies seeking talent are offering. Salaries also clearly vary by geography and other factors—you can explore all of these factors in great deal by visiting the Web Analytics Demystified web site:

http://www.webanalyticsdemystified.com/research/salary_data.asp

Web Analytics Demystified has a great deal of information about salaries and distributions online in our Research Center, including 33 different employee, job, and company characteristics. Available via easy-to-use drop-down menus and updated annually, this database provides the world's most complete view of salary distributions for web analytics, all free of charge.

Figure 3: Response groups available on the Web Analytics Demystified web site.

Please select a single segment of interest and click the "Go" button to view salary information.

Please select a salary respondent characteristic ▼

Please select a salary response group ▼ [Go]

Please select a salary response group
All U.S. Practitioners
Approach towards Web Analytics
Ease of Doing Web Analytics
Location of Company Headquarters
Size of Organization
Tenure Doing Web Analytics
Type of Practitioner Employment

rofessionals?
rtise on the most popular web analytics job board in the

Web**Analytics**Demystified

Respondents working for web analytics vendors reported earning an average of over $105,000, nearly $20,000 more annually than those practitioners working at end-user companies.

Insight #1: Vendors Pay the Best Salaries

If the reason you got into web analytics was to make money, you've come to the right place. Considering that the average person working in this field with scant experience is earning more than $70,000 USD annually, and considering the sheer number of jobs available, any reasonably bright person should be able to make a pretty good living. But if you really want to make money while you refine your experience working with web analytics, **the place to be is working for a web analytics vendor.**

Figure 4: Average pre-tax earnings (including salary and bonus) for web analytics practitioners working for U.S.-based companies segmented by type of employer
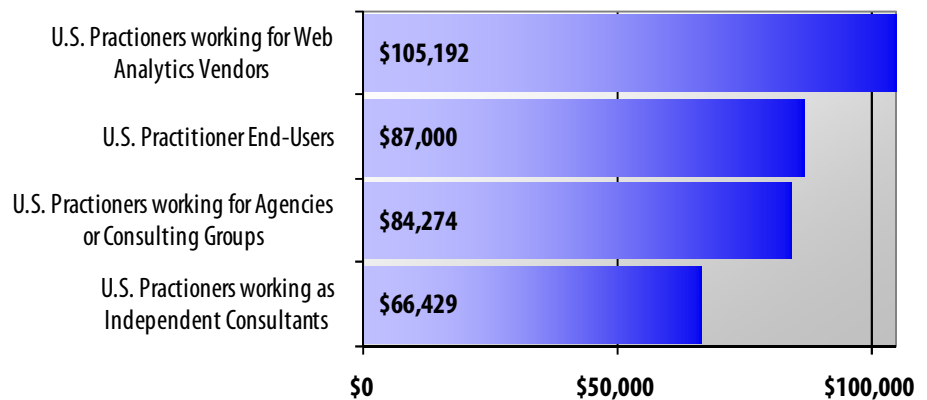
Web Analytics Demystified Spring 2007 Survey, "Which of the following best characterizes the capacity in which you personally use web analytic tools and processes?" (U.S. respondents only, n=411)

While Independent Consultants are not only earning the lowest amount of these four categories, but they are also earning less than the average of U.S-based respondents in all categories combined, 52 percent of the respondents in this group report working on paid web analytics consulting engagements less than 50% of the time. In this light it is likely that many Independent Consultants are either earning much more than this average or are treating web analytics as a part-time job.

Those practitioners working for agencies, consulting groups, and regular companies are earning a respectable average near $85,500 USD annually, a respectable salary to be sure by U.S. standards. But that number jumps by roughly $20,000 USD for practitioners working for U.S.-based web analytics vendors to a weighted average of over $105,000 USD.

This dramatic increase is likely due to the ease with which vendors are able to monetize web analytics talent and the backlogged demand for implementation, training, and business consulting services reported by the most popular vendors in the market today. The life of a web analytics consultant is hardly easy, especially considering the travel requirements that many current consultants face, but this gap in salary certainly gives experienced practitioners reason to reach out to market leading vendors when they're looking for a new challenge.
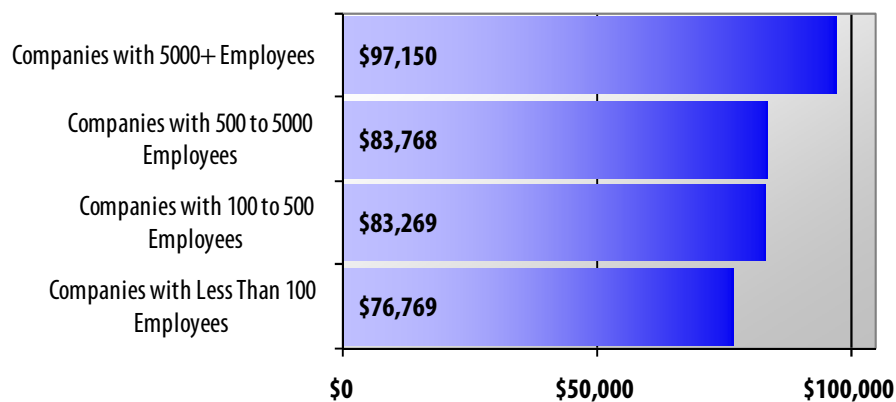
Insight #2: Size of Company Doesn't Matter (For the Most Part)

When the salary data is segmented by the reported size of the respondent's company an interesting trend emerges: that small, medium, and large companies pay roughly the same amount on average, **but very large (5000+ employees) companies are paying over 15 percent higher salaries, all other characteristics being equal.**

Figure 5: Average pre-tax earnings (including salary and bonus) for web analytics practitioners working for U.S.-based companies segmented by size of company

Companies with 5000+ Employees	$97,150
Companies with 500 to 5000 Employees	$83,768
Companies with 100 to 500 Employees	$83,269
Companies with Less Than 100 Employees	$76,769

$0 $50,000 $100,000

Web Analytics Demystified Spring 2007 Survey, "Please indicate the total number of employees in your organization worldwide."
(U.S. respondents only, n=293)

Perhaps these higher reported salaries are the advantage of working for an extremely large and well funded organization. It is, however, not impossible to imagine that this is also a function of these companies having to pay more for talent to offset some of the perceived disadvantages of working in an inevitably complex business environment. On the flip-side, smaller companies often offer other incentives such as stock options and flexible work schedules, likely making up for the smaller reported salaries in many situations.

Suffice to say, practitioners and companies looking to hire should take this data into consideration when setting expectations. In the author's experience, many companies struggle to determine the market value of experienced web analytics professionals, much less to adjust for the size of their organization. Companies who attempt to under-pay often end up with unfilled openings, often until the revise their salary expectations or purse another route. Similarly, practitioners may not be setting their own expectations clearly based on the size of company they're applying to, preventing offers from being extended in situations where the fit would otherwise be good.
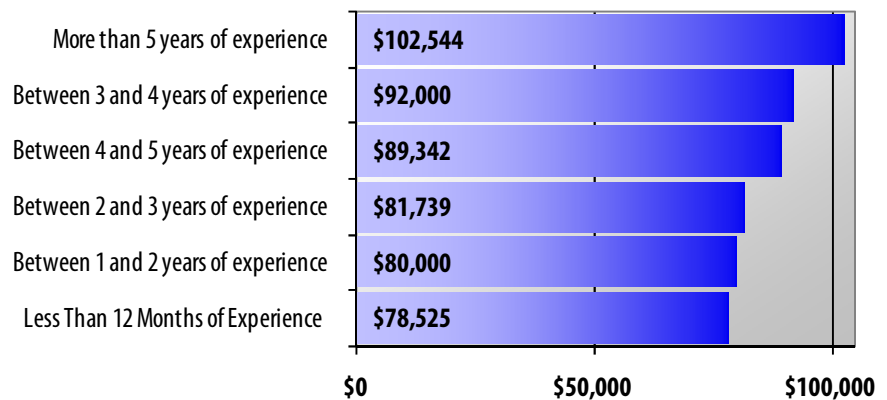
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Three salary groups emerge in Web Analytics Demystified's data: less than three years, three to five years, and more than five years, the latter earning over $100,000 annually.

Insight #3: Three Tenure Groups Appear to Exist

As you would expect, the more experience you have doing web analytics, the more you're going to make. No huge insight there, but it does appear that at least in today's job market there are three categories of experience: less than three years, three to five years, and more than five years of experience. If you look at how the first group in Figure 6 is clustered around $80,000 USD, the second around $90,500 USD, and the third at $102,543 you'll realize that **your next big bump in salary as a practitioner may not appear at the end of every year.**

Figure 6: Average pre-tax earnings (including salary and bonus) for web analytics practitioners working for U.S.-based companies segmented by total experience in the field

Experience	Earnings
More than 5 years of experience	$102,544
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Web Analytics Demystified Spring 2007 Survey, "How much experience do you personally have using web analytics tools?" (U.S. respondents only, n=294)

A great deal of additional information about the distribution of salary by tenure is available at the Web Analytics Demystified Salary Survey online:

http://www.webanalyticsdemystified.com/research/salary_data.asp

Suffice to say it does appear that there is a fair amount of financial upside associated with "sticking with web analytics" for those practitioners who are relatively new to the field.

Insight #4: Organizational Approach Towards Analytics Really Matters!

Perhaps the most pronounced difference in salary groups is that associated with how companies approach web analytics. It is Web Analytics Demystified's firm belief that being truly successful with web measurement requires an understanding of the underlying processes necessary to collect and use this type of data. Most of this belief is grounded in our founder's decade-plus working in the web analytics industry, but it is influenced by the insight that **companies relying on business processes to manage their investment in web analytics are paying their resources 20 percent more (on average) than those companies taking a less formal approach.**

Figure 7: Average pre-tax earnings (including salary and bonus) for web analytics practitioners working for U.S.-based companies segmented by organizational approach towards web analytics
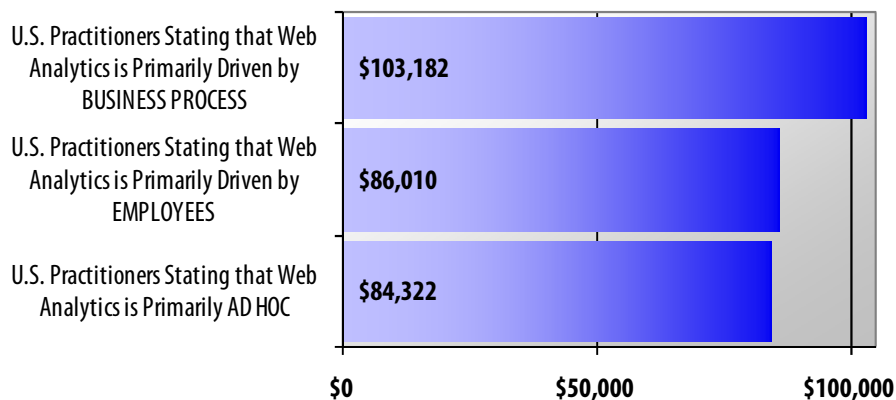
Web Analytics Demystified Spring 2007 Survey, "Which of the following statements best describes the way your organization manages web analytics processes?" (U.S. respondents only, n=289)

Unpublished analysis reveals that the companies of those respondents reporting a BUSINESS PROCESS approach and an EMPLOYEE driven approach are statistically very similar in terms of employee tenure with web analytics and the length of time their current primary solution has been deployed. And while process-oriented companies do tend to be larger (63% having more than 1,000 employees, versus 52% of companies taking an employee-driven approach) and have more dedicated resources for analytics (30% reporting having four or more dedicated FTE for analytics, versus 16%), process-oriented companies are dramatically more likely to report positive return on investment from web analytics (50%, versus only 16%)
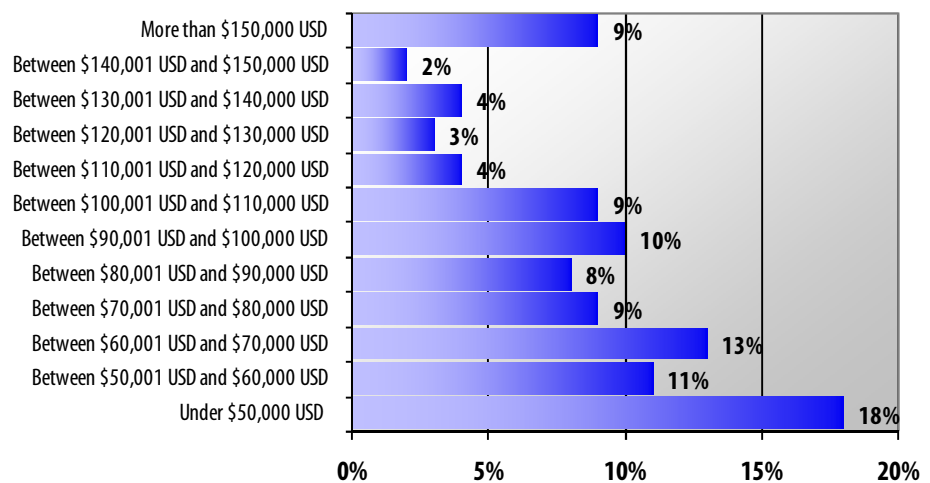
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The average web analytics worker in the U.S. reports earning $86,883 annually (including salary and bonus), but 18% report earning under $50,000 annually.

Insight #5: There May Be Hope on the Horizon

Bringing this data back around to the huge gap between open positions and available talent in the market today, Web Analytics Demystified wanted to point out that there may be hope on horizon. If you look at the distribution of web analytics practitioners working for end-user companies in Figure 8 you'll see that **over 50 percent of those responding to this survey are earning less than the U.S. average salary for all web analytics practitioners of $86,883 USD annually.**

Figure 8: Distribution of salaries (including salary and bonus) for web analytics practitioners working for U.S.-based end-user companies (i.e., not consultants, agencies, or vendors)

Web Analytics Demystified Spring 2007 Survey, "Which of the following best characterizes the capacity in which you personally use web analytic tools and processes?" (U.S. respondents only, n=295)

Because salary follows tenure, this suggests that there are a fair number of "new" practitioners working today, which is true—the same survey found that 19 percent of respondents have less than 12 months of experience in web analytics and 36 percent have less than two years of experience. Given all this, smart companies may be able to fill web analytics openings simply by taking the following advice from Web Analytics Demystified:

1. **Carefully consider the insights in this survey regarding salary.** Spend some time looking at the data freely provided at http://www.webanalyticsdemystified.com/research/salary_data.asp. You may find that you're simply not paying competitively based on the amount of experience you're advertising for, the size of your company, or your geographic location.

2. **Reconsider the openings you have currently posted, again in the light of the data presented here.** You may not have budget for "a web analyst with10+ years of experience" but you may actually be better off with a good project manager with familiarity in web analytics, a consultant, or a resource provided through your vendor.

3. **Recognize that it is very much a buyer's market for web analytics jobs these days.** If your job ad is bragging about how great you are and how lucky a candidate would be to work for you, is full of hyperbole, and does little to convince experienced analysts that they would gain as much or more than you would by responding to your ad, try again.

4. **Consider your advertising strategy.** Anecdotally few of these positions are being filled through standard monster.com or craigslist.org postings—look for niche opportunities to advertise your position like the Web Analytics Demystified job board (http://www.webanalyticsdemystified.com/job_list.asp) and the Web Analytics Association to help you get the word out.

5. **Consider working with a staffing firm having experience in web analytics.** Given the number of open and unfilled positions in the market today, it is no surprise that a handful of staffing firms have emerged that have specific expertise in placing web analytics professionals. Look to companies like Aquent and others to help you fill these positions to help you shorten the amount of time it takes to fill your web analytics openings.

Web Analytics Demystified provides Staffing Assessment and Support to companies looking to build their web analytics capabilities, hire the right people, and shorten ramp-up time for new hires. For more information please see:

http://www.webanalyticsdemystified.com/inc/staffing_support.asp

For More Information

Web Analytics Demystified has published a complete report covering all of the questions asked in this survey and including all responses worldwide. This report is available at:

http://www.webanalyticsdemystified.com/research/

To receive future reports based on this and additional data, please visit:

http://www.webanalyticsdemystified.com/survey/

About the Research

Methodology

In April 2007, Web Analytics Demystified designed and fielded a survey to web analytics users and

consultants recruited randomly through web analytics-related websites and events; a total of 856 web analytics users and web analytics consultants from the around the world completed to the survey. Respondents were asked approximately 20 closed-ended questions about the deployment and use of web analytics tools and processes, personal experience and attitudes related to web analytics, as well as company size and salaries. Respondents received an e-mail invitation to participate in the survey with an attached URL linked to the Web-based survey form.

Approximately 10,000 invitations were sent out to respondents from different parts of the world, resulting in 1,077 responses (response rate of 10%); of these responses, a total of 856 completed the survey from beginning to end (completion rate of 80%). The interest and response to the survey were overwhelming and exceeded all expectations. The response level actually exceeded accepted industry standards for conducting research with non-panel respondents and equaled accepted industry standards for conducting research using an actively managed panel.

Average salary in this report is calculated by weighing the salary data by the number of people in each group to take into account the proportional relevance of each group, rather than treating each group equally. The salary data comes directly from the responses to the following question:

> *For classification purposes only please indicate your 2006 pre-tax revenue associated with web analytics services. If you are a full-time employee of an organization using web analytics please include your salary and bonus only (exclude benefits). If you are an external consultant or web analytics vendor please indicate your personal salary and bonus only (exclude benefits) associated with web analytics services that you personally provide.*

Any questions about our survey methodology should be directed to Zori Bayriamova (zori@webanalyticsdemystified.com).

About the Authors

Zori Bayriamova

Zori Bayriamova has five years of market research experience with specific focus on the Internet and new technologies. Currently, Mrs. Bayriamova is a Research Manager at TIME magazine's Consumer Research and Insights team. She oversees primary research efforts for TIME magazine and TIME.com. Previously, she was at Young & Rubicam where she worked on the Brand Asset Valuator (BAV) team and managed brand rating studies in Canada, Latin America and Asia.

Prior to joining Y&R, Mrs. Bayriamova was part of the primary data research group at Jupiter Research where she collaborated with industry analysts and designed surveys for hypothesis-driven research. Her focus at Jupiter was surveying industry executives from industries like search, web analytics, email marketing, online advertising and IT. She contributed to over 60 Jupiter reports in her final year with them in 2005.

Mrs. Bayriamova is originally from Bulgaria and came to the U.S. in 2000 to earn her Masters in Market Research. She currently lives in New York City and can be reached at

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Eric T. Peterson

Eric T. Peterson, CEO and Principal Consultant at Web Analytics Demsytified, has worked in web analytics since the late 1990s in a variety of roles including practitioner, consultant, and analyst for several market-leading companies. He is the author of three best-selling books on the subject, *Web Analytics Demystified, Web Site Measurement Hacks,* and *The Big Book of Key Performance Indicators*, as well as one of the most popular web analytics bloggers at www.webanalyticsdemystified.com.

Mr. Peterson has committed much of his life to the betterment of the web analytics community, so much so that Jim Sterne, President and co-founder of the Web Analytics Association says "Eric's leadership in the industry in unparalleled, his devotion to the community is legendary and his years of experience translate immediately into strategic and tactical competitive advantage for everybody who works with him."

About Web Analytics Demystified

Web Analytics Demystified, founded in 2007 by internationally known author and former JupiterResearch analyst Eric T. Peterson, provides objective strategic guidance to companies striving to realize the full potential of their investment in web analytics. By bridging the gap between measurement technology and business strategy, Web Analytics Demystified has provided guidance to hundreds of companies around the world, including many of the best known retailers, financial services institutions, and media properties on the Internet.

For more information on Eric T. Peterson and Web Analytics Demystified, please visit www.webanalyticsdemystified.com, email eric.peterson@webanalyticsdemystified.com, or call (503) 282-2601.