SPSS

Jubii

Popular Internet portal increases revenue and customer satisfaction

Situation

In a typical month, Jubii (www.jubii.dk), Denmark's most popular Internet portal, has 2.3 million visitors. It offers viewers a search engine, free e-mail, online radio, shopping, an auction site, Web chat, and a host of other services. Founded in 1995, it is a subsidiary of Lycos Europe N.V., which is partially owned by Lycos U.S.A.

Critical Issue

Since Jubii's services are free, its commercial success depends on revenues from banner ads, sponsorships, Internet events, newsletter advertising, and similar activities. In order to increase its profitability now and in the future, it must:

- Increase the number and quality of leads provided to its advertisers
- Enable advertisers to target the Web visitors most likely to buy their products
- Expand its visitor base while retaining current users
- Create value-added services to attract future subscribers

Solution

Using SPSS products and consulting services, Jubii has studied patterns of Web visitor behavior and developed customer profiles that optimize the content and placement of ad banners on its Web sites.

Results

- Enabled advertisers to improve banner click-through rates by 30 to 50 percent
- Increased media buying by 10 to 15 percent, resulting in greater revenues
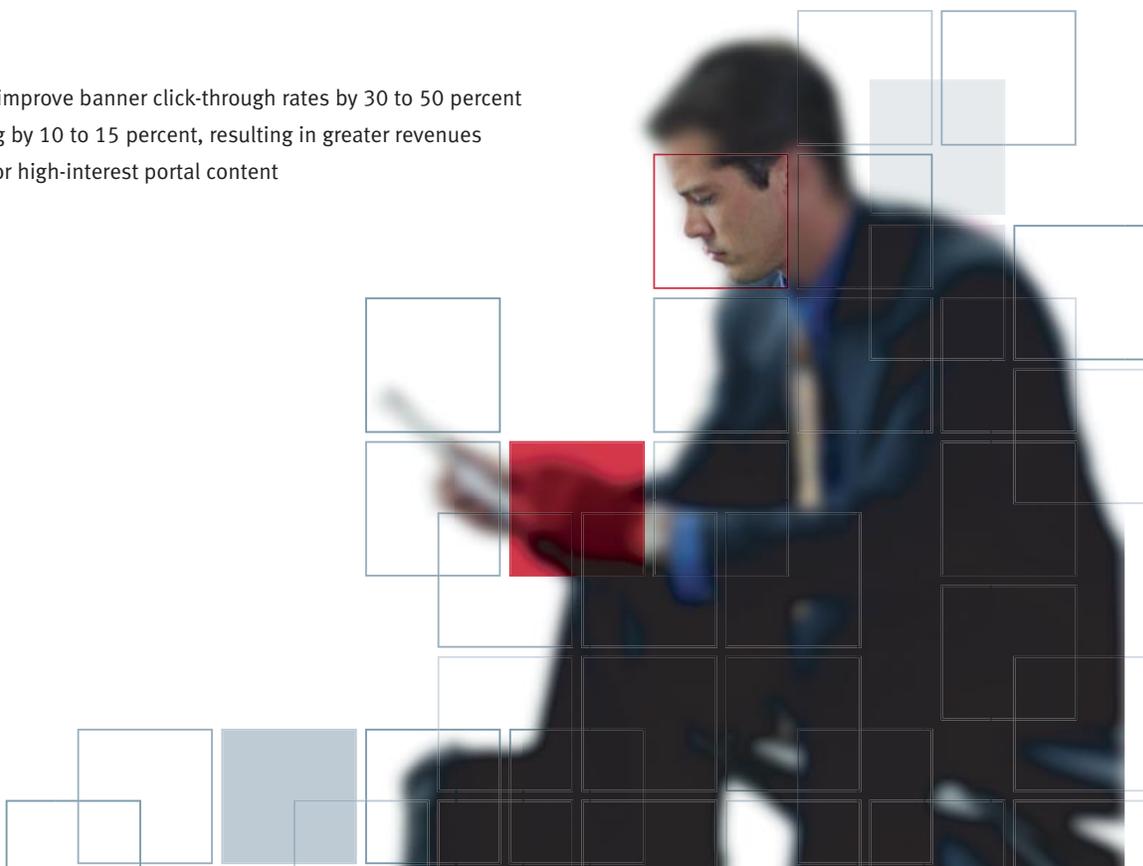- Developed standards for high-interest portal content

At-a-glance

Country: Denmark

Industry: Online services

Founded: 1995

Company Type: Public

Revenues: $ 85 million

Employees: 130

Application

Customer profiling

Solutions Used

Clementine®

SPSS Consulting Services

For five years in a row, Jubii has been the most popular Web site in Denmark, holding a more than 82 percent share of the market. But popularity is not enough. Since Jubii is a business, it must attract advertisers and create services for which users are willing to pay. That's why the company needs to understand what its visitors want to buy and what information they want to see.

Kasper Larsen, Jubii's sales director, decided that to increase the company's advertising revenues, he needed to create customer profiles that would optimize the selection and placement of advertising banners. According to Larsen, who is now head of portal development for Lycos Europe, "It's all about seeing the right banners."

In order to carry out this initiative, Jubii launched a customer profiling project. SPSS Consulting Services and ACsys, a Danish consulting company, developed the project, which analyzed visitor information provided by DoubleClick AdServer™. For data mining and modeling tasks, Larsen selected Clementine. "Although we tried out competitive products, we immediately noticed how easy it was to use those developed by SPSS."

> "By allowing us to analyze enormous volumes of information, data mining with Clementine has helped us to display banner ads that suit particular visitors' interests."
>
> – *Kasper Larsen*
> *Head of Portal Development*
> *Lycos Europe*

Using Web log data, the SPSS consultant created four profiles for each registered user: page profiles for weekdays and weekends, and site usage (time-of-day) profiles for weekdays and weekends. These profiles contain a little more information each time the user goes to a Jubii page. Data models are adjusted every night and downloaded to the DoubleClick server. Before the server displays a banner, a lookup in the scoring database determines which banner is best to show in a particular location to a specific user.

Initially, the project concentrated on the 65,000 loyal users of Jubii's Euro Investor subsite, but after the profiles were created, it was implemented across the entire portal only three months after the project began.

Enabled advertisers to improve banner click-through rates by 30 to 50 percent

The success of an advertising banner is measured by its click-through rate—that is, by the number of people who click on the banner to go to the advertiser's Web site. Before implementation of profiling, the average click-through rate on the Euro Investor site was .05 percent. Once Jubii started to use its new customer profiles, however, the click-through rate rose 30 to 50 percent. Since advertisers received more leads from banners on the site, their loyalty to Jubii grew.

Jubii designed a new user interface to enable advertisers to compare normal delivery of banners with optimized delivery. Advertisers are now able to view not only the overall increase in banner hits, but also the increase within particular groups, providing valuable information for targeting their products. With the new interface, media planners can even see the exact number of banner hits on a given day.
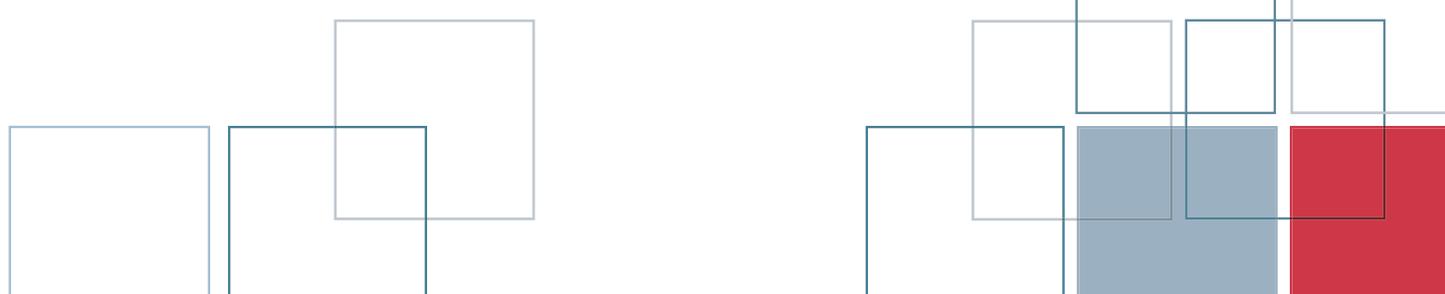
Increased media buying by 10 to 15 percent, resulting in greater revenues

Since media agencies have a tendency to buy based on click percentages, the higher the percentages, the more they buy. With Jubii's higher click-through rates, Jubii's Larsen expects a 10 to 15 percent increase in media buying from current and new advertisers.

More buyers mean more revenue. "The project will pay for itself in nine to 12 months," reported Larsen. The wealth of information in the customer profiles also gives Jubii new options for increasing its advertising income. For example, advertisers could be charged by the number of times visitors select a particular page or by the most effective time for presenting a banner. Its knowledge of visitors' behavior patterns provides Jubii with unique opportunities to charge by the true value provided to the advertiser.

Developed standards for high-interest portal content

"We initially focused on banner advertising because this was the easiest way to prove the importance of understanding our customers," explained Larsen. "Based on our successful results, we plan to apply the profiling system to all portal content." Jubii's goal is to to provide the correct content for the user across the entire portal.

Jubii's customer profiles provide a solid foundation for building better content management systems and creating site content. Delivering useful and entertaining content is critical to Jubii's future success, because the more visitors it has, the more revenue it can earn from its advertisers and its value-added services.

The future: Analyzing the marketplace

In the future, Jubii plans to monitor its customer churn rate by generating graphs based on third-party data. For competitive analysis and possible site redesign, the company needs to know how many visitors it has during a specific period, whether that number is going up or down, and what other sites its visitors access. In short, Jubii's efforts to obtain a clear picture of what its customers need and want have only just begun, but with SPSS as a technology partner, the company is looking forward to the challenge.

"Our SPSS consultant has unparalleled expertise on modeling issues. It's a pleasure to work with someone who knows more about our problems than we do."

– Kasper Larsen
Head of Portal Development
Lycos Europe
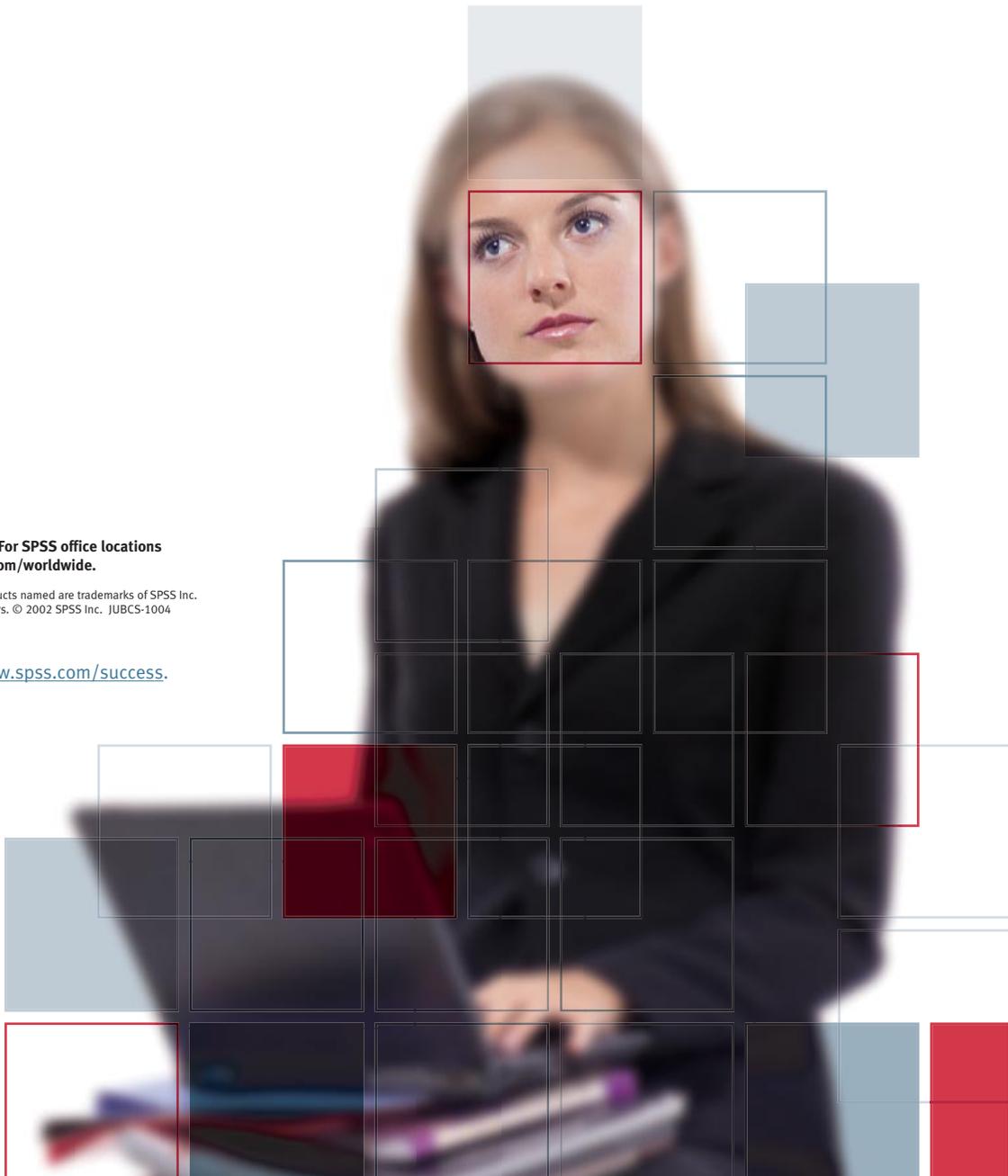
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