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The Forrester Wave™: US Search Marketing Agencies, Q1 2009

by Shar VanBoskirk

for Interactive Marketing Professionals



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iProspect, iCrossing, And 360i Emerge As Leaders

by **Shar VanBoskirk**

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EXECUTIVE SUMMARY

Forrester's evaluation of search marketing agencies against 72 criteria finds this market more mature than during our 2006 Wave. iProspect leads the study again, this time because of its strategy and corporate leadership. iCrossing takes top honors for both its paid search and SEO current offering. It and 360i round out the Leader category because of their research-based approaches to keyword development and highly automated execution. IMPAQT, Razorfish, and Reprise Media are all Strong Performers — IMPAQT because of its analytics prowess, Razorfish for how well it integrates search with other online media, and Reprise for its open platform and social media competence. Oneupweb lands as a Contender because it lacks the automation needed to scale enterprise marketer programs. However, its work ethic and consulting-based approach scores high with client references.

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NOTES & RESOURCES

Forrester conducted vendor evaluations in October and November 2008 and interviewed 21 vendor and user companies, including 360i, iCrossing, IMPAQT, iProspect, Oneupweb, Razorfish, and Reprise Media.

Related Research Documents

[“The Interactive Marketing Maturity Model”](#)
November 19, 2008

[“US Interactive Marketing Forecast, 2007 to 2012”](#)
October 10, 2007

[“The Forrester Wave™: Search Marketing Agencies, Q4 2006”](#)
November 21, 2006

SEARCH MARKETING MATURITY MEANS MORE COMPLEX PARTNER OPTIONS

Search marketer sophistication is on the rise. Marketers are expanding keyword volume, improving measurement, and launching international programs as part of an effort to improve their interactive marketing maturity overall.¹ Plus, marketers today need more out of their search efforts as the economy falls.² These changes on the part of advertisers are making it more complicated than ever to choose the right search marketing partner.

At the same time vendors gravitate toward search because of growing marketer spend. Differentiating between the possible options for search marketing help is only getting harder as:

- **Standalone technology solutions proliferate.** Startups like Marin Software give credibility to the discrete bid management market previously occupied by proprietary, black box tools created by agencies. Now there are SEO options like Interwoven's MetaTagger, paid search self-service tools like Omniture's Search Center, and advanced multi-engine analytics from Covario.
- **Traditional agencies launch search practices.** Three years after search marketing first hit the big time, agency holding companies want to play in the lucrative game. WPP plans to integrate its agencies onto 24/7's paid search management platform. Newly launched VivaKi will provide search marketing resources and best practices for clients across any Publicis Groupe agency.
- **More dedicated search agencies appear.** Forrester gets introduced weekly to newcomers to the search space, wooed by 26% CAGR of search marketing spend between 2009 and 2010.³ We just met Logic361 and JetPack as this study was wrapping up.

SEARCH MARKETING AGENCY EVALUATION OVERVIEW

To help marketers comb through the complicated mass of possible search marketing help, Forrester evaluated the strengths and weaknesses of seven top search marketing agencies that provide a balance of paid search and search engine optimization (SEO) services.

Our Analysis Hinges On Three Dimensions

After examining past research, user need assessments, and vendor and expert interviews, we developed a comprehensive set of evaluation criteria. We evaluated vendors against 72 criteria, which we grouped into three high-level buckets:

- **Current offering.** As in our previous Search Marketing Agency Wave™ evaluation, we reviewed vendors' paid search and SEO technologies, processes, and services and reporting. In response to market demand, this time we also evaluated their global and social media capabilities.
- **Strategy.** To gauge the forward momentum of vendors in our study, we reviewed the tenure, stability, and leadership capabilities of executive teams, as well as corporate vision, planned product developments, vertical orientation, and plans for internationalization.

- **Market presence.** Finally, we also evaluated the firms' financial stability based on their revenues from search marketing, profitability, employee tenure and training, and the volume and satisfaction of their customers.

We Reviewed Integrated Search Agencies

Since our last evaluation of this space, even more search marketing vendors have emerged. So Forrester began its evaluation by screening a broader set of agencies. As in years past, we then honed in on the few firms that most closely match the range of search marketing services that our clients request. Seven agencies met our selection criteria: 360i, iCrossing, IMPAQT, iProspect, Oneupweb, Razorfish, and Reprise Media. These firms are (see Figure 1):

- **US-based.** To manage scope, we wrote this report primarily for US marketers. Several of the firms we evaluated have international offices, and we graded agencies' abilities to manage global campaigns. However, we limited this study to American vendors only. This scoped out players like Canadian Enquiro.
- **Agencies that provide both paid search and SEO.** Forrester has long believed that SEO and paid search are most effective when managed together. And today many standalone search management technologies are commoditized. So we screened out platform-only plays as well as specialists who prioritize either paid search or SEO like Did-It, YourAmigo, and Efficient Frontier.
- **Focused on the enterprise.** We looked for firms dedicated to serving the same customers Forrester does: businesses with more than \$1 billion in revenues. Companies that have a high concentration of small or medium-sized marketers like Omniture, SmartSearch Marketing, or Red Bricks Media did not qualify.
- **Bigger.** We filtered out tiny firms and mom-and-pop shops in order to evaluate established agencies with the revenues, client base, employees, and experience level relevant to our audience.

Figure 1 Evaluated Vendors: US Search Marketing Agencies' Information And Selection Criteria

Vendor	Enterprise-level clients	Search marketing revenues (2007)	Percent of clients using vendor for both paid search and SEO	Date evaluated
360i	78%	\$34 million	38%	November 2008
iCrossing	73%	\$79 million	30%	November 2008
IMPAQT	59%	\$18 million	41%	November 2008
iProspect	65%	\$40 million*	40%	November 2008
Oneupweb	40%	\$13 million*	26%	November 2008
Razorfish	77%	\$31 million	25%	November 2008
Reprise Media	85%	\$60 to \$70 million*	20%	November 2008

*The vendor cannot publicly disclose revenues. This is Forrester's estimate of the vendor's 2007 search revenue.

Vendor selection criteria

Revenue for the vendor's search business is greater than \$10 million.
Percent of the vendor's clients served that are enterprise level (\$1B+) is greater than 40%.
Percent of the clients that work with the vendor for both paid search and SEO is greater than 20%.

Source: Forrester Research, Inc.

SEARCH AGENCIES SHOW DISCIPLINE

Unlike our 2006 Search Marketing Agency Wave, which found vendor innovation taking second place to just keeping pace with incoming business, this study finds search vendors deliberate in their strategy and technology developments, more secure in their definition from competitors, and outlining a future vision that aligns with changing consumer behavior and marketer needs. This time (see Figure 2):

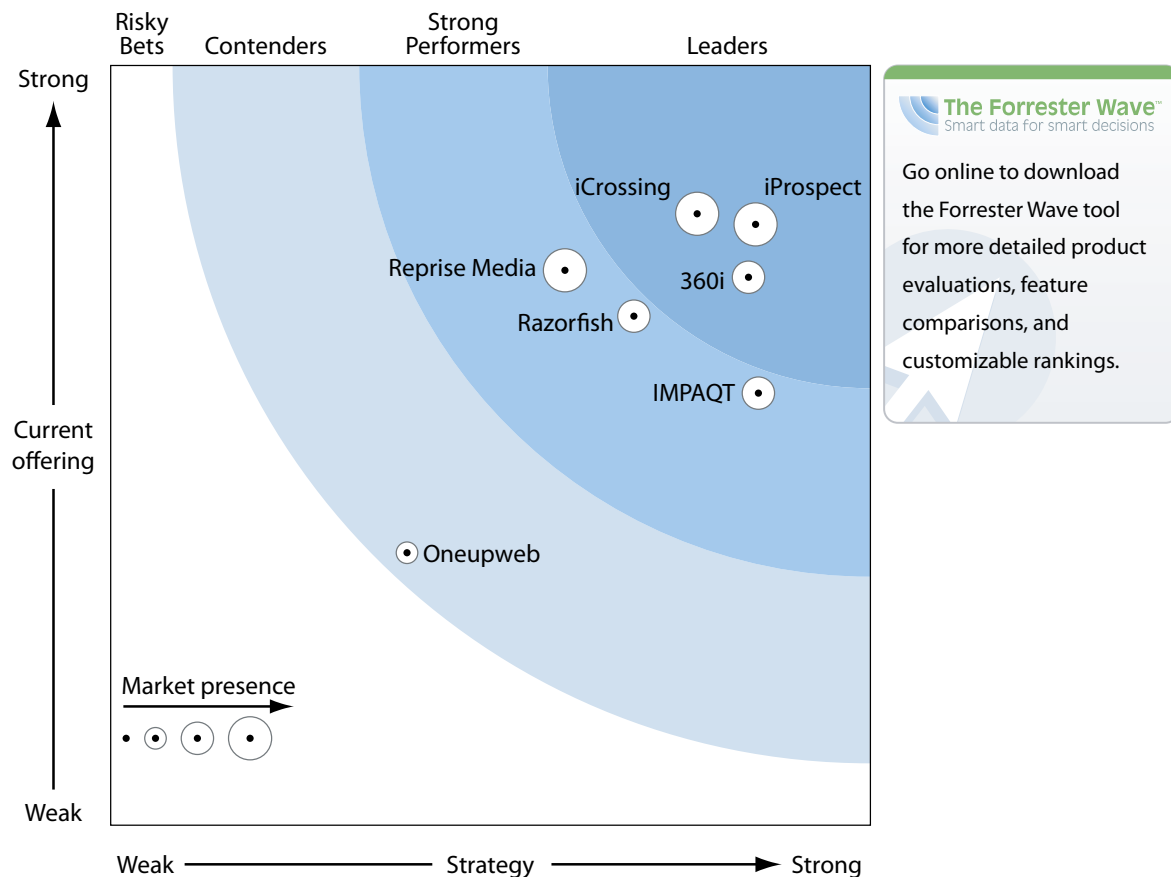
- **iProspect, iCrossing, and 360i lead the pack.** For the second time, iProspect takes top honors, this time due more to the strength of its strategy than its current offering. The automated processes unique to iProspect in our last evaluation are now also common practice for co-Leaders iCrossing and 360i. In fact, iCrossing bests others in both paid search and SEO because of its open bid management platform, its use of market mix models to aid enterprise paid search planning, and its heritage of optimizing dynamic sites for natural search results. Research powerhouse 360i has the most searcher-centric keyword development process and also more advanced social media applications for aiding search results and improving collaboration with its clients.
- **IMPAQT, Razorfish, and Reprise Media rank next.** IMPAQT scores the highest of the Strong Performers due to its analytics-based approach and emphasis on customer partnership. Its proprietary methodologies make searcher-level keyword planning possible, while its laser-

focus on search enables it to be the “search marketing arm” for clients like Mercedes-Benz and GlaxoSmithKline. Razorfish’s broader agency services like persona development and creative make it a capable paid search partner, but we found — and client references agree — that its SEO lags behind competitors’. Reprise Media still has a more open technology and better vertical focus than most other firms evaluated, but its strategy and executive team lacked vision.

- **Oneupweb brings up the rear.** Oneupweb’s reliance on professional services versus automated search processes pushes it into the Contender category since Forrester believes that automation is imperative to preventing errors and scaling marketers’ search programs beyond a few thousand words. Still, we found this firm’s leadership team and Midwestern work ethic refreshing. It shows solid experience in optimizing complex sites, and client references herald the value of its consultative approach.

Please note: This evaluation of search marketing agencies is based on the criteria we deem to be most critical to the market at this time. It is a starting point only. We encourage readers to view detailed product evaluations and adapt the criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool.

Figure 2 Forrester Wave™: US Search Marketing Agencies, Q1 '09



Source: Forrester Research, Inc.

Figure 2 Forrester Wave™: US Search Marketing Agencies, Q1 '09 (Cont.)

	Forrester's Weighting	360i	iCrossing	IMPAQT	iProspect	Oneupweb	Razorfish	Reprise Media
CURRENT OFFERING	50%	3.60	4.02	2.85	3.95	1.79	3.35	3.64
Vendor description	0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Campaign planning	5%	5.00	5.00	5.00	5.00	0.00	3.00	5.00
Keyword management	10%	5.00	4.10	2.80	3.90	1.90	4.10	3.90
Paid search	20%	4.01	4.30	2.77	3.50	1.43	3.59	3.33
SEO	20%	3.15	5.00	3.65	3.95	2.75	2.80	4.00
Social media	10%	5.00	3.00	3.00	3.00	3.00	5.00	5.00
Analysis and reporting	10%	4.00	3.00	4.00	3.50	2.00	3.50	5.00
Services and support	10%	3.20	2.40	2.05	4.25	2.15	2.10	3.95
Globalization	15%	1.30	4.40	0.90	5.00	0.30	3.00	0.90
Cost	0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00
STRATEGY	50%	4.20	3.85	4.25	4.25	1.95	3.45	3.00
Strength of management team	15%	5.00	3.00	5.00	5.00	5.00	3.00	3.00
Executive vision	30%	5.00	4.00	4.00	4.00	1.00	4.00	2.00
Product road map	25%	3.00	4.00	5.00	5.00	3.00	3.00	3.00
Vertical strategy	15%	4.00	3.00	5.00	2.00	1.00	4.00	5.00
Global strategy	15%	4.00	5.00	2.00	5.00	0.00	3.00	3.00
MARKET PRESENCE	0%	3.92	4.30	3.02	4.48	2.60	3.44	4.03
Financial viability	33%	3.50	4.00	3.00	4.00	3.00	3.50	5.00
Company	33%	4.50	5.00	2.50	5.00	2.00	4.00	3.50
Customers	34%	3.75	3.90	3.55	4.45	2.80	2.85	3.60

All scores are based on a scale of 0 (weak) to 5 (strong).

Source: Forrester Research, Inc.

VENDOR PROFILES

Here are high-level snapshots of what capabilities ranked each vendor in its current position in this Forrester Wave evaluation. Detailed scorecards are available in the spreadsheet behind Figure 2.

Leaders Forecast Expected Outcomes

- **iProspect.** This firm is particularly good at automating processes to save time, identifying best practices, or improving scalability. And this year, Forrester finds it also better-focused on client service and future strategy than the past. A best fit for large marketers with complex or far-reaching search programs — iProspect also has the most global footprint of other vendors — this firm’s consistently good capabilities across all evaluation criteria, coupled with its size, financial stability, and committed executive team make it “the IBM of search marketing.” Any marketer would do well to select this Leader.

- **iCrossing.** We've been hesitant to embrace this agency's plan to expand into a more full-service firm. But its progress toward creating customer experiences that are: 1) visible; 2) useful; 3) usable; 4) desirable; and 5) engaging convinced us it is on the right track. iCrossing has the best current offering we evaluated for *both* paid search and SEO because of its: 1) linguistic profiles (a process used to assess the language searchers use); 2) predictive models to aid enterprise planning; 3) tools to expedite SEO-friendly page changes across large Web sites; and 4) reports to monitor universal search results. Enterprise marketers choosing this firm will find its capabilities as strong as rival iProspect's, although it will likely feel more volatile. The adrenaline fueling iCrossing's innovation also causes some instability according to client references.
- **360i.** This former Strong Performer moves easily into the Leader category this year because of its research-based approach to search marketing and its social media aptitude. In addition to predictive models, this firm has an internal customer insights group that mimics likely searches for target customers to improve keyword planning and targeting. Its SearchIgnite bidding platform can accommodate manual, automated, portfolio, or rules-based optimization against any marketer goal. Plus, in addition to the more common social media practices of link building and buzz monitoring, 360i also optimizes widgets and developed a wiki for client best practice sharing. This firm's experience and buzz monitoring capabilities make it a strong partner for media firms and big brand marketers.

Strong Performers Demonstrate Different Strengths

- **IMPAQT.** Still deliberately contrary to larger competitors who dally in other interactive media, IMPAQT is laser-focused on applying analytics to improve paid and natural search results. We buy it; there is a lot of latitude for an "anti-large, full-service firm" in the search mix. Data-driven marketers — like retailers or financial services firms — and franchised or multibrand firms that aren't ready to go global will find tremendous value in this agency's ability to determine search's influence on other media and on multichannel transactions. IMPAQT also provides a product specifically to allow media firms to launch ads directly from breaking news.
- **Razorfish.** The only true full-service interactive agency in our study, Razorfish is a valid paid search partner, especially for marketers using Razorfish for Web design or online media management. Strong suits of this vendor include its bid optimization and click fraud monitoring, courtesy of partner Marin Software, as well as customer profiling, persona creation, and creative skills made possible by its broader agency resources. When considering this vendor, note that client references do not use it for SEO and its paid search aptitude could fluctuate as the vendor changes its partner relationships.
- **Reprise Media.** A habitual strong performer, this firm continues to grow because of its open PROSuite platform, its use of data and analytics tools to model optimal outcomes, high account manager to client ratio, and social media expertise. And this year, its SEO capabilities — formerly

our evaluation's lowest — take second place. This firm's current capabilities make it a good bet for marketers looking for a social media-based approach to search marketing, especially if they are already working with other agencies in the IPG network. Potential clients should beware some growing pains with this firm. The youngest in our study, this firm's vision is in formation and its executives are still striking a balance between innovational and operational leadership.

Contenders Take A Services-Only Approach

- **Oneupweb.** Oneupweb finishes as a distant contender because of its lack of automation. Its services-based approach relies exclusively on internal search experts who use a proprietary project management technology to plan and execute campaigns. Client references appreciate the “high touch” treatment they get from Oneupweb as a small firm. We liked its culture too. But we fear it can't scale to support future enterprise marketer needs. We'd recommend this firm to medium-sized marketers seeking a local partner or those deliberately eschewing larger agencies for a more-personal touch.

SUPPLEMENTAL MATERIAL

Online Resource

The online version of Figure 2 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings.

Data Sources Used In This Forrester Wave

Forrester used a combination of four data sources to assess the strengths and weaknesses of each solution:

- **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted interviews with each vendor to gather details of qualifications and product features.
- **Scenario-based demos.** Each vendor participated in a two-and-a-half-hour proof of concept call during which it demonstrated its process and technology against four hypothetical client scenarios addressing paid search and SEO concerns for B2B and B2C companies. We used findings from these conversations to validate details shared in the vendor surveys.
- **Client reference interviews.** To validate vendor qualifications, we conducted reference calls with two of each vendor's current customers.
- **Reviews of client references' search marketing results.** Each vendor was asked to supply two references to which it provides both SEO and paid search services. These references then gave us five of their most salient keywords. We conducted user reviews of their natural and paid search results and landing pages for these keywords using Forrester's Search Marketing Review Methodology.⁴

The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria to be evaluated in this market. From that initial pool of vendors, we then narrow our final list. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave document — and then score the vendors based on a clearly defined scale. These default weightings are intended only as a starting point, and we encourage readers to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve.

ENDNOTES

- ¹ Marketers are far from mastering the performance and integration of interactive channels. Forrester's interactive marketing maturity model can help marketers mature gradually from lesser to more mature levels. See the November 19, 2008, "[The Interactive Marketing Maturity Model](#)" report.
- ² More than 80% plan to maintain or increase investments in search and email marketing during a recession. See the April 30, 2008, "[Interactive Marketers Are Bullish In A Recession](#)" report.
- ³ Forrester projects that search marketing spend will grow 26% in 2009. See the October 10, 2007, "[The US Interactive Marketing Forecast: 2007 To 2012](#)" report.
- ⁴ Forrester's Search Marketing Review includes 18 criteria and is intended to help marketers diagnose places to improve both the user experience and the business process associated with their search marketing campaigns. For this Wave evaluation, we applied only the user review. See the January 2, 2008, "[The Search Marketing Review](#)" report.

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