Compete.com Responds To Questions About Pax Stereo Statistics

Thursday, April 12, 2007
4:32 PM

I approached Compete today regarding the recent changes in our statistics as displayed on the Compete.com website. I have included their correspondence for your review. We are available for questions.

Mario Hemsley, MD
CEO

Hi Mario,

The statistics have not changed/revised. SnapShot was updated with March data yesterday. Therefore the % changes on Compete.com now refer to Mar '06/Mar '07 and Feb '07/Mar '07 for Y-Y %change and M-M %change respectively.

Example:

Sessions for paxstereo.tv:

Date	Sessions	M-M Growth
Mar-07	1,499	-90.87%
Feb-07	16.425	14,307%
Jan-07	114	137%
Dec-06	48	- 48%

Also, the situation is not unique to Compete, Paxstereo seems to have a very unique audience, so much so that none of the other 3rd party metric tools have any stats for the sites. Link: http://attentionmeter.com/?d1=paxstereo.tv&d2=paxstereo.com

If there are individuals who request further clarification, please refer them to Compete's FAQ page - http://www.compete.com/help#snp1

Best,

Jay

From: Mario Hemsley [mailto:mario@paxstereo.com]
Sent: Thursday, April 12, 2007 3:57 PM
To: Jay Meattle
Cc: Victor Allen
Subject: Fw: Compete.com / Voicemail

Hi Jay,

Thanks for the response. The issue for us is one of credibility. We are interacting with a number of important clients interested in developing platforms for internet television, and it is very important to us that the information that we report is credible. We just did not want our clients to believe that we would knowingly give them inaccurate information. I know that Compete prides itself on accuracy. I need to be able to explain the abrupt swings in data that we experienced. I could just say "it was a problem with Compete.com and their methodology" , or "that is the way Compete results can change quickly" , but that would make us both look bad in their eyes. My problem is that I am wondering if the explanation below is enough, and something you want me to forward to our clients. The data swings were so dramatic, that it has been requiring some explanation from us as to the **size** of the shift. I take it from your explanation, that this wide shift of reports from >14,000% increase to 90% decrease, does not reflect any errors in measurement, and is in fact accurate. People are inquiring which stats are real, the initial or now, and I need to know what to tell them. I do not believe you would like me to say that they are both accurate, which is a direct reflection on the methodology. If I do have individuals who request further clarification, is there someone at Compete I can refer them to. When the extremes are so great, someones credibility is possibly made an issue. It has been hard to explain the suddenness of the change. I wanted to reach out to Compete first, because I have truly enjoyed the service, but now I have over 40,000 individuals who will find completely opposite results from the ones I included in the press release. I would think that Compete would also not want individuals thinking this is to be expected because it does reflect on the reliability of their product. Thanks again for your prompt response, as this is becoming a larger issue for us as the day moves on.

Sincerely,

Mario R. Hemsley, MD
CEO Pax Stereo

----- Forwarded Message ----
From: Jay Meattle <jmeattle@compete.com>
To: mario@paxstereo.com
Sent: Thursday, April 12, 2007 12:23:30 PM
Subject: Compete.com / Voicemail

Hi Mario,

 This is in reference to the voicemail you left. Thanks for reaching out to us.

Compete estimates site traffic and engagement metrics based on the daily browsing activity of over 2,000,000 U.S. Internet users. Compete applies a rigorous normalization methodology, leveraging scientific multi-dimensional scaling (by age, income, gender and geography) to ensure metrics are representative of the general U.S. Internet population. Compete members are recruited through multiple sources, including national ISPs, the Compete Toolbar and additional opt-in panels to ensure a diverse distribution of user types and to facilitate de-biasing across the data sources.

Out of the 2 million U.S. people in the clicksteam sample, not many people visit Paxstereo.com and Paxstereo.tv. Low sample causes month to month variability in reported metrics to be high, hence the large swings in % change. Traffic projections are based upon sample data, so estimates will almost never match up exactly with actuals. In any case, we are always looking to improve our numbers and will investigate this.

I apologize for any inconvenience this may have caused.

With regards,

Jay
Jay Meattle
Product Manager