

October 6, 2011

The Forrester Wave™: Web Analytics, Q4 2011

by Joe Stanhope
for Customer Intelligence Professionals



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Adobe, comScore, IBM, And Webtrends Lead A Market In Transition

by **Joe Stanhope**

with Dave Frankland and Michelle Dickson

EXECUTIVE SUMMARY

In Forrester's 80-criteria evaluation of web analytics vendors, we found that Adobe, comScore, IBM, and Webtrends are Leaders because of their consistent product strength combined with compelling visions for the web analytics market. They are followed by two Strong Performers: AT Internet, serving the European market with a much-improved offering, and Google, with a new offering targeted at the enterprise market. Finally, Yahoo, a Contender in our evaluation, offers a competent solution optimized for use within its suite of products.

TABLE OF CONTENTS

2 **Web Analytics Anchors Web Intelligence**

Core Web Analytics Functionality Nears Ubiquity

Web Analytics Is On The Verge Of Taking A Leap Forward

5 **Web Analytics Evaluation Overview**

Evaluation Criteria Target The Growing Needs Of Enterprise Web Analytics Practitioners

Evaluated Vendors Possess The Resources And Market Focus To Support Enterprise Clients

6 **A Market Of Solid Players Gives Buyers Multiple Options For Web Analytics**

8 **Vendor Profiles**

Leaders

Strong Performers

Contenders

11 **Supplemental Material**

NOTES & RESOURCES

Forrester conducted executive interviews and product demonstrations in June 2011 and interviewed or surveyed 168 user companies.

Related Research Documents

["Customer Intelligence Trends To Watch in 2011"](#)
November 4, 2010

["How Web Analytics Will Emerge As A Cornerstone Of Customer Intelligence"](#)
March 29, 2010

WEB ANALYTICS ANCHORS WEB INTELLIGENCE

Digital marketing captivates marketers with its promise to drive traffic, engage customers, and enable self-service across devices and channels. As a result, marketers are tripping over themselves to master both traditional and emerging interactive channels.¹ A side effect of this shift to digital is the premium placed on web intelligence: the collection, measurement, and utilization of multichannel digital data to drive mutually beneficial customer relationships. Customer Intelligence (CI) professionals turn to web analytics platforms to help track campaigns and complex customer interactions across digital touchpoints, attribute the impact of activities on the business, and continuously optimize tactics and strategies.

Core Web Analytics Functionality Nears Ubiquity

Web analytics is well entrenched within firms: Forrester's marketing technology adoption survey shows that 84% of businesses are currently using web analytics technology.² Meanwhile, web analytics vendors have aggressively developed their offerings to keep pace with evolving user needs and a highly competitive market. What's the result? The web analytics landscape has matured to the point where almost all vendors can competently handle the fundamental web analytics capabilities. Users, therefore, have their pick of technically capable solutions, but buyers are challenged to differentiate the available options by evaluating vendors' highly nuanced interpretations of functionality within the context of their own requirements (see Figure 1).

Figure 1 Differentiators Set Vendors Apart Despite A Maturing Feature Set

Core functionality category	Areas of consistent competence across vendors	Where to look for differentiation	Evaluation questions to consider
Data availability	<ul style="list-style-type: none"> • Data collection • Custom variables • Data processing • Metrics, dimensions, and correlations 	Data warehouse	<ul style="list-style-type: none"> • What types of data are accessible in the data warehouse? • Can external data be appended to the data warehouse? • Is access to the data warehouse included in the price of the core product?
		Sampling	<ul style="list-style-type: none"> • If sampling occurs, can it be deactivated or user defined? • Do our respective data volumes and product use cases fall within the sampling parameters? • Is sampling functionality beneficial to our use cases; for example, to support fast analysis work or quality assurance?
		Data quality	<ul style="list-style-type: none"> • Does the product provide functionality to validate the accuracy of the implementation? • Does the product provide adequate support for the ongoing maintenance of the deployment, such as adding or changing data collection code? • Are these capabilities available as self-service functionality or do they require vendor services?
Reporting and analysis functionality	<ul style="list-style-type: none"> • Reports • Dashboards • Segmentation • Rich and emerging media — online video and mobile browsing 	Usability and administration	<ul style="list-style-type: none"> • Does the user interface provide appropriate workflow and ease of use for the user personas who are expected to directly use the web analytics application? • Does the application provide adequate control of data, functionality, security, and user monitoring to ensure appropriate system usage?
		Scenario analysis	Does the application support the development of scenario analyses that accurately match our live site behavior patterns?
		Ad hoc analysis	<ul style="list-style-type: none"> • Does the application provide dedicated functionality for ad hoc analysis and exploration? • How does standard reporting functionality support parameter manipulation, visualization, and drilldowns for ad hoc analysis?
		Alerts	<ul style="list-style-type: none"> • How robust are the options for setting alert thresholds? • Does the application offer functionality to automate the detection of anomalies?
		Rich and emerging media — mobile applications, user-generated content, social media, and offline media	<ul style="list-style-type: none"> • How robust is the product's support for these media types? • Are these measurements available out of the box or do they require customization? • Does the product support multiple data collection techniques for each media type to cover a variety of situations?

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Source: Forrester Research, Inc.

Figure 1 Differentiators Set Vendors Apart Despite A Maturing Feature Set (Cont.)

Core functionality category	Areas of consistent competence across vendors	Where to look for differentiation	Evaluation questions to consider
Integration support	<ul style="list-style-type: none"> • Data exports and API availability • MS Excel integration 	Marketing applications	<ul style="list-style-type: none"> • Is the web analytics solution a component of a broader set of marketing or analytics tools? • To what degree are the applications and data assets within the product suite integrated?
		Technology partners	<ul style="list-style-type: none"> • Does the vendor’s network of third-party technology partners include the other vendors our firm works with? • Are third-party integrations available as packaged offerings, or are they delivered via generic connectivity or customization?

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Source: Forrester Research, Inc.

Web Analytics Is On The Verge Of Taking A Leap Forward

Few web analytics vendors restrict their remit to pure on-site analytics. Most vendor road maps incorporate emerging media such as social and mobile channels, data agnostic integration and analysis features, usability for a broad array of analytics stakeholders, and scalability to handle the rising influx of data and activity. Although these trends don’t represent the web intelligence endgame, they indicate how web analytics can serve within a broader marketing context. The development plans and long-term visions of web analytics vendors show a market that looks set to evolve into three categories:

- **Enterprise marketing platforms.** Vendors taking an enterprise marketing platform (EMP) approach will incorporate web analytics into a broad suite of marketing tools intended to support enterprisewide, multichannel marketing across online and offline channels.³ Web analytics functionality will be integrated with campaign management, marketing resource management, and marketing asset management tools. Progressive EMP offerings, such as the platform envisioned by IBM, will also include advanced customer analytics capabilities such as offer optimization and data mining.
- **Online marketing suites.** Vendors focused on the online marketing suite (OMS) will integrate web analytics into a framework designed to span the analytics, content, and execution of digital marketing.⁴ In the OMS context, web analytics works alongside capabilities such as web content management to support interactive channels such as search, email, and display advertising; emerging channels such as mobile and social; and testing and targeting. Standard bearers for the OMS approach, such as Adobe, will deliver on this vision with a combination of broad native functionality and robust partner ecosystems.

- **Digital analytics specialists.** Vendors offering a digital analytics specialist perspective view web analytics as the foundational platform for providing a universal view of digital marketing activity. These products will offer broad data integration, warehousing, and reporting features to become the digital analytics system of record. Vendors currently take varied approaches to putting this vision into motion: Webtrends plans to provide a very broad, open environment to accommodate all digital analysis needs, and comScore is addressing needs centered on audience measurement.

WEB ANALYTICS EVALUATION OVERVIEW

To assess the state of the web analytics market and see how the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of top web analytics vendors.

Evaluation Criteria Target The Growing Needs Of Enterprise Web Analytics Practitioners

After examining past research, user need assessments, and vendor and expert interviews, we developed a comprehensive set of evaluation criteria. We evaluated vendors against 80 criteria, which we grouped into three high-level buckets:

- **Current offering.** To assess product strength, we evaluated each offering against six dimensions: data handling; metrics, dimensions, and correlations; reporting and analysis; application usability and administration; integration; and service and support.
- **Strategy.** We compared the product and corporate strategies of each vendor in the context of Forrester's forward-looking vision for the enterprise web analytics market to assess how well each vendor is positioned for future success. We also incorporated quantitative client feedback as indicated by customer satisfaction and Net Promoter Score.⁵
- **Market presence.** To benchmark the relative size of the vendors' web analytics businesses, we evaluated each company's financial strength, installed base of clients, and employee base. We paid particular attention to the revenue, clients, and staff that are specifically related to the vendors' web analytics businesses.

Evaluated Vendors Possess The Resources And Market Focus To Support Enterprise Clients

Forrester included seven vendors in the assessment: Adobe, AT Internet, comScore, Google, IBM, Webtrends, and Yahoo. Each of these vendors has (see Figure 2):

- **Corporate revenues in excess of \$10 million.** While web analytics is not the sole revenue source for many vendors evaluated, Forrester reviewed firms that exhibit corporate sustainability, with more than \$10 million in revenues.
- **A significant base of enterprise-class clients.** This Forrester Wave web analytics evaluation is designed to identify vendors that meet the demanding requirements of enterprise-class

businesses. As such, all vendors evaluated have capabilities appropriate for large enterprises and demonstrate this capacity in the caliber of clients they serve.

Figure 2 Evaluated Vendors: Product Information And Selection Criteria

Vendor	Product evaluated	Product version evaluated	Date evaluated
Adobe	SiteCatalyst	Version 15	Q2 2011
AT Internet	Analyzer	NX	Q2 2011
comScore	Digital Analytix	4.0	Q2 2011
Google	Google Analytics and Google Analytics Premium	Version 5, frequent updates	Q2 2011
IBM	IBM Coremetrics Web Analytics	Analytics 2010	Q2 2011
Webtrends	Analytics and Segments	Analytics Version 10 and Segments On Demand	Q2 2011
Yahoo	Yahoo Web Analytics	10.1	Q2 2011

Vendor selection criteria

Corporate revenues in excess of \$10 million. While web analytics is not the sole revenue source for many vendors evaluated, Forrester reviewed firms that exhibit corporate sustainability with more than \$10 million in revenues.

A significant base of enterprise-class clients. This Forrester Wave™ is designed to identify vendors that meet the demanding requirements of enterprise-class businesses. As such, all vendors evaluated have capabilities appropriate for large enterprises and demonstrate this capacity in the caliber of clients they serve.

Source: Forrester Research, Inc.

A MARKET OF SOLID PLAYERS GIVES BUYERS MULTIPLE OPTIONS FOR WEB ANALYTICS

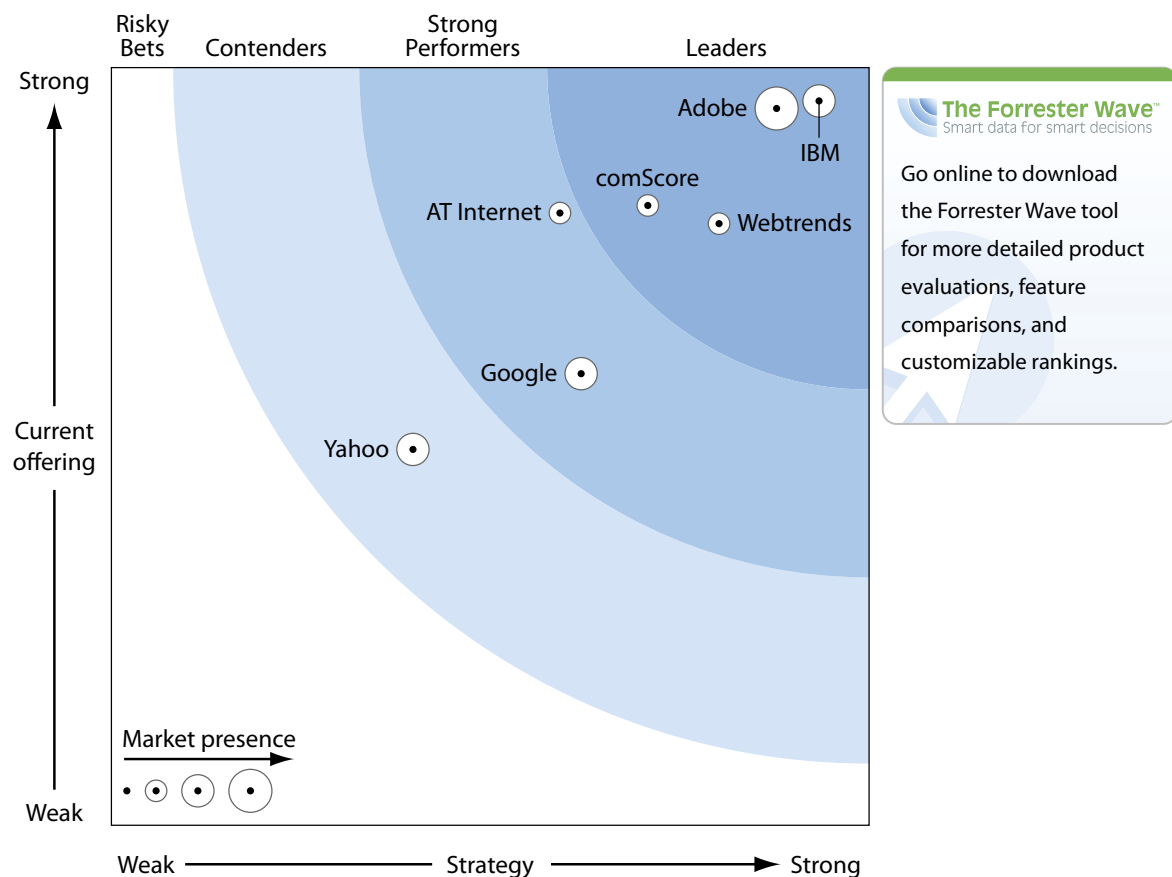
The evaluation uncovered a market in which (see Figure 3):

- **Four vendors lead the market with varied and compelling visions for web analytics.** Adobe, comScore, IBM, and Webtrends are Leaders because they combine strong product offerings with a substantial market presence and solid strategy. But each firm has a unique vision for web analytics. Adobe marries web analytics with a broad digital marketing ecosystem. comScore aspires to integrate audience measurement and on-site measurement to provide users with a comprehensive view of their web presence. IBM views web analytics as a key component of its enterprise marketing management portfolio. Finally, Webtrends is committed to providing complete digital analytics for users across the enterprise.

- **AT Internet and Google offer alternatives to traditional enterprise solutions.** This evaluation found two Strong Performers, each representing unique go-to-market strategies among the vendors evaluated. AT Internet is building on its traditional strength in the European market and has evolved its product capabilities to serve enterprise-class clients. Google is leveraging its position as the world's most popular free web analytics solution to address the enterprise market with the new paid Google Analytics Premium offering, featuring expanded functionality and services.
- **Yahoo provides a tailored solution for its marketing ecosystem.** Yahoo is a Contender, offering a competent web analytics solution. This free offering is generally available via a network of certified partners but is primarily intended for use within Yahoo's suite of advertising and merchant solutions.

This evaluation of the web analytics market is intended to be 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 3 Forrester Wave™: Web Analytics, Q4 '11



Source: Forrester Research, Inc.

Figure 3 Forrester Wave™: Web Analytics, Q4 '11 (Cont.)

	Forrester's Weighting	Adobe	AT Internet	comScore	Google	IBM	Webtrends	Yahoo
CURRENT OFFERING	50%	4.73	4.04	4.09	2.98	4.78	3.97	2.48
Data handling	15%	4.92	4.48	5.00	2.09	4.88	4.29	2.33
Metrics, dimensions, and correlations	10%	4.48	4.48	4.68	2.48	4.68	4.12	3.96
Reporting and analysis	25%	4.77	3.63	4.08	2.96	4.69	3.73	2.50
Application usability and administration	15%	4.00	3.40	3.40	3.20	5.00	3.40	2.00
Integration	20%	5.00	4.33	3.80	3.13	4.75	4.08	2.80
Service and support	15%	5.00	4.25	3.85	3.80	4.75	4.35	1.65
STRATEGY	50%	4.39	2.96	3.54	3.10	4.67	4.01	1.99
Product strategy	40%	4.80	3.00	3.90	3.00	4.80	4.10	1.20
Corporate strategy	40%	4.30	2.40	3.70	3.00	5.00	4.30	2.40
Cost	0%	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Quality of references	20%	3.75	4.00	2.50	3.50	3.75	3.25	2.75
MARKET PRESENCE	0%	4.35	2.20	2.13	3.38	3.45	2.85	3.18
Company financials	25%	4.40	1.70	2.70	2.60	4.30	3.40	1.90
Installed base	50%	4.30	2.70	1.90	3.80	2.60	2.30	3.40
Employees	25%	4.40	1.70	2.00	3.30	4.30	3.40	4.00

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

Source: Forrester Research, Inc.

VENDOR PROFILES

Leaders

- IBM.** Since our previous evaluation, IBM acquired both Coremetrics and Unica in 2010. IBM has consolidated these companies into its Enterprise Marketing Management software division, and product portfolio integration is under way. IBM is incorporating the complementary and notable features of Unica NetInsight into a merged web analytics solution based on the Coremetrics platform. To stay ahead, IBM must execute on its vision for enterprise marketing by completing the product integrations in progress, gaining market traction for major initiatives such as Smarter Commerce, and creating synergies between web analytics and other IBM assets such as eCommerce, business intelligence, and predictive modeling.
- Adobe.** Adobe continues to maintain the largest enterprise web analytics footprint of any vendor. The Omniture Business Unit has thrived within Adobe, continuing to grow its business and execute on a broad product development strategy comprised of organic development, acquisitions, and partnerships. Recent updates to the core SiteCatalyst product and strategic

expansions into social media, audience measurement, and data management show a deep commitment to providing a comprehensive suite of products to support the analytics and execution of digital marketing. To maintain a leadership position and execute on its vision, Adobe must manage the complexity of delivering a broad set of digital marketing tools, both in terms of underlying technology and overall usability for analysts and marketers.

- **Webtrends.** Webtrends stands alone as the last major independent enterprise web analytics vendor. To differentiate itself from the competitive pack, Webtrends has aggressively expanded its support for emerging channels such as mobile and social, has maintained a strong ethos of platform openness, and, most notably, has undertaken a total user interface redesign with Analytics 10, resulting in a completely re-imagined and unique digital analytics user experience. Webtrends finds itself at a crossroads as it transitions from legacy web analytics provider to cutting-edge digital analytics platform. To maintain its upward trajectory, Webtrends needs to fine-tune its go-to-market strategy and provide firm guidance on the application of its technology to avoid confusing buyers.
- **comScore.** comScore acquired European vendor Nedstat in 2010. The marriage offers two primary benefits: 1) a compelling vision of consolidating audience measurement and site analytics to build a truly comprehensive view of the Web, and 2) the opportunity to credibly offer the Nedstat solution in North America. Digital Analytix belongs in any serious web analytics vendor evaluation for its data access, speed, and flexible analysis capabilities. To gain traction, comScore must execute on its plans for supporting Digital Analytix in the US, establish credibility with references from enterprise-class customers, and document the ability to scale to meet the functional and performance requirements of large deployments.

Strong Performers

- **AT Internet.** AT Internet has made substantial progress since our previous web analytics Wave evaluation. The company significantly enhanced its core product, added new product modules, and expanded its corporate vision from web analytics pure play to broad online intelligence provider. The company also has a tremendous rapport with its clients, garnering the evaluation's highest quality of reference scores. Through its product capabilities, local presence, and sensitivity to regional solution requirements, AT Internet is a suitable solution for firms evaluating web analytics solutions for primary use in Europe. AT Internet must continue to extend its marketing ecosystem and geographic distribution to assert itself into the enterprise web analytics market.
- **Google.** Google Analytics is the world's most popular web analytics tool — and it's free. Google continues to enhance Google Analytics with regular product releases, a substantial ecosystem of certified partners, and the cultivation of a massive and dedicated community of users. Google redefined what a free product can be, and although some enterprise features are limited, Google Analytics provides reporting, segmentation, and usability that offer unparalleled value. The

introduction of the paid Google Analytics Premium edition signals a serious commitment to enterprise web analytics. Google Analytics Premium still lags enterprise competitors in several areas such as data integration, administration, and data processing, but enhanced performance, support, and functionality significantly reduce many of the gaps that traditionally separated the free product from paid enterprise solutions. As the premium offering develops over time, it is reasonable to expect the gaps to shrink further and for the product to show Google's trademark outsized value.

Contenders

- **Yahoo.** Yahoo's product strategy for the free Yahoo Web Analytics solution focuses on moderate development of the core platform with a primary focus on seamlessly integrating the product with Yahoo's extensive advertising and merchant solutions. This delivers a compelling solution for existing Yahoo customers, but as a standalone product, Yahoo Web Analytics provides only competent baseline web analytics functionality, represented by an aging user interface. The product has lagged most other competitors in its pursuit of emerging media measurement and a broader online marketing tool set. Yahoo Web Analytics is available directly only to Yahoo advertisers and merchants or via certified partners, which substantially curtails its overall availability and market presence.

SUPPLEMENTAL MATERIAL

Online Resource

The online version of Figure 3 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 vendor calls where necessary to gather details of vendor qualifications.
- **Product demos.** We asked vendors to conduct demonstrations of their product's functionality. We used findings from these product demos to validate details of each vendor's product capabilities.
- **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with four of each vendor's current customers.
- **Customer reference online survey.** To establish a level of customer satisfaction across a number of categories including product functionality, flexibility, usability, services, responsiveness and support, and application reliability, Forrester also conducted an online survey of a minimum of 15 of each vendor's current customers.

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 This year's study also finds trials of emerging media to be pervasive — a refreshing change from last year, when recession-constrained budgets limited adoption to primarily search, display, and email. Although the economy hasn't completely rebounded, almost half of interactive marketers believe the benefits to trialing new media outweigh the risks. See the October 5, 2010, "[Interactive Marketing Channels To Watch In 2010](#)" report.
- ² Forrester recently surveyed 137 Customer Intelligence professionals to understand their marketing technology priorities, plans, and budgets. Old issues continue to fester — a lack of a centralized view of their customers and insufficient measurement limit their marketing programs. CI professionals hunger for marketing technology as mobile, optimization, and campaign management remain popular choices. See the February 28, 2011, "[Marketing Technology Adoption 2011](#)" report.
- ³ In 2004, we introduced the idea of the comprehensive marketing suite, which we call the Marketing Technology Backbone and define as a technology infrastructure that supports an integrated approach to marketing strategy, development, delivery, and measurement across the marketing mix. See the May 7, 2007, "[The Enterprise Marketing Software Landscape](#)" report.
- ⁴ Forrester defines the online marketing suite as a comprehensive platform to serve the entire interactive marketing life cycle, spanning data, content, workflow, optimization, measurement, and channel execution. See the February 7, 2011, "[Revisiting The Online Marketing Suite](#)" report.
- ⁵ Net Promoter, Net Promoter Score, and NPS are registered trademarks of Bain, Satmetrix Systems, and Fred Reichheld. Source: Bain (<http://www.bain.com/search.aspx?q=Net+Promoter>); Satmetrix Systems (<http://www.satmetrix.com/>).

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