

Deal With Omniture Should Trigger Assessment of HBX Migration

Bill Gassman

Omniture's plan to acquire its direct competitor should prompt Visual Sciences HBX customers to consider migrating. Evaluate alternatives and take the opportunity to improve Web site instrumentation and analytic processes.

NEWS ANALYSIS

Event

On 25 October 2007, the Web analytics vendor Omniture announced a definitive agreement to acquire its direct competitor, Visual Sciences, in a stock-and-cash transaction valued at approximately \$394 million. The acquisition is expected to close in early to mid-2008. In addition to about 1,500 customers, Omniture would pick up a variety of technology, including Visual HBX and Visual Site.

Analysis

The sale of Visual Sciences is unsurprising, since the company has been in turmoil since January 2006. It was failing to execute on a strategic shift from its HBX Web analytics tool to Visual Site, and in July 2007, Visual Sciences announced it was for sale.

We believe that, under Omniture, the future of the Visual Site platform as an on-premises offering is at some risk, though we expect some of the technology to survive as new functionality for Omniture's Discover product. To date, Omniture has no experience in the on-premises market

With this acquisition, Omniture solidifies its position as the leading Web site analytics vendor. Other significant vendors in this market — Coremetrics, WebTrends and Unica, with its NetInsight product — trail far behind in financial strength, vendor partnerships and numbers of sophisticated customers. Expect Omniture to continue making further acquisitions as it builds a customer experience optimization suite.

RECOMMENDATIONS

Now is the time to consider a migration off the Visual HBX Web analytics platform. If your HBX implementation is successful, you can still consider migrating sooner to benefit from early aggressive action. But even if you migrate slowly, migration is inevitable: While HBX will be supported through at least mid-2009, Omniture will base new features and third-party integration on its core products — not HBX. By mid-2008, HBX customers will be offered migration incentives, but Omniture has the skills to offer immediate assistance. When considering a migration plan, evaluate several opportunities. For example:

- Assess whether the value of a Web analytics platform to your organization supports the cost. Many users find the Google analytics offering sufficient. It is less competitive in functionality, customization, training and integration with third-party products, but is free for up to 5 million page views per month.
- If you intend to abandon HBX, take the opportunity to improve skills with content instrumentation (such as event tagging), rather than merely migrating the tags. You may also have the opportunity to add instrumentation to Flash and Ajax applications, as well as signaling events from within a Web page.
- Maintain key performance indicators across the migration, but consider starting to collect history anew. The cost of migrating historical data may outweigh the benefit.

RECOMMENDED READING

- "WebSideStory Widens Web Analytics Reach in Visual Sciences Buy" — In 2006, Gartner said the acquisition of Visual Sciences by WebSideStory pointed to new levels of requirements in the Web analytics market and the operational maturity necessary to reap the benefits. **By Bill Gassman**
- "Integrating the Online User Experience Management Environment" — A Web analytics platform can be used to improve the appeal and effectiveness of an online channel by monitoring and enhancing the user's experience. **By Bill Gassman**

(You may need to sign in or be a Gartner client to access the documents referenced in this First Take.)

REGIONAL HEADQUARTERS

Corporate Headquarters

56 Top Gallant Road
Stamford, CT 06902-7700
U.S.A.
+1 203 964 0096

European Headquarters

Tamesis
The Glanty
Egham
Surrey, TW20 9AW
UNITED KINGDOM
+44 1784 431611

Asia/Pacific Headquarters

Gartner Australasia Pty. Ltd.
Level 9, 141 Walker Street
North Sydney
New South Wales 2060
AUSTRALIA
+61 2 9459 4600

Japan Headquarters

Gartner Japan Ltd.
Aobadai Hills, 6F
7-7, Aobadai, 4-chome
Meguro-ku, Tokyo 153-0042
JAPAN
+81 3 3481 3670

Latin America Headquarters

Gartner do Brazil
Av. das Nações Unidas, 12551
9º andar—World Trade Center
04578-903—São Paulo SP
BRAZIL
+55 11 3443 1509