

The Forrester Wave™: Web Analytics, Q4 2017

Incumbent Vendors Lead While Newcomers Invigorate A Mature Market

by James McCormick

November 7, 2017

Why Read This Report

In our 32-criteria evaluation of web analytics providers, we identified the seven most significant ones — Adobe, AT Internet, Cooladata, Google, IBM, Mixpanel, and Webtrekk — and researched, analyzed, and scored them. This report shows how each provider measures up and helps customer insights (CI) professionals make the right choice.

Key Takeaways

Adobe And AT Internet Lead The Pack

Forrester's research uncovered a market in which Adobe and AT Internet lead the pack. IBM and Google are Strong Performers. Webtrekk, Mixpanel, and Cooladata are Contenders.

Web Analytics Is Still Essential To Digital Success

The web analytics market is critical to businesses. Forrester finds that it is core to digital intelligence practices, essential to understanding web engagement and delivering optimal digital customer experiences, and has evolved way beyond browser analytics.

Privacy, Security, And Artificial Intelligence Are Key Differentiators

We identified many areas of differentiation during our evaluation of 32 web analytics criteria. Highlights include privacy and security, syndication of web analytics data, application of AI, and browser instrumentation.

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by [James McCormick](#)
with [Gene Leganza](#) and Emily Miller
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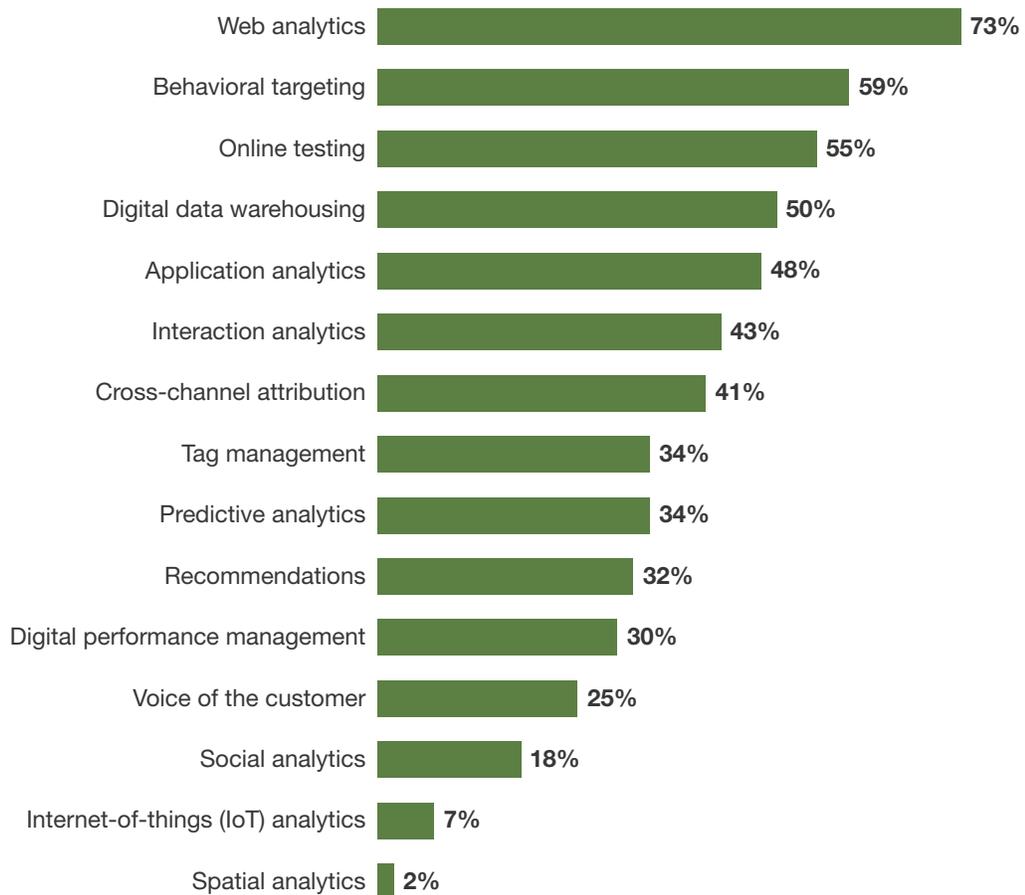
Web Analytics Is The Digital Heart Of The Insights-Driven Business

By 2021 firms that excel at leveraging data and analytics to drive insights at scale will earn total global annual revenues of \$1.8 trillion.¹ Common to all insights-driven firms is their ability to leverage and scale the understanding of their customers as they digitally engage. In other words, insights-driven firms are digitally intelligent.² While the practice of web analytics has been around for as long as websites themselves, it has not stood still. Web analytics continues to evolve as customer digital engagement changes and business undergo digital transformation. Indeed, these technologies are more relevant to business today, as we find that:

- › **Web analytics is core to digital intelligence practices.** Many digital data management, analytics, and optimization technologies compete for attention within a modern digital intelligence (DI) practice. However, web analytics remains the single most dominate technique (see Figure 1). Almost three-quarters of respondents in Forrester's Q2 2017 Global Digital Intelligence Platforms Forrester Wave™ Customer Reference Online Survey used web analytics from their DI platform providers. Web analytics adoption is significantly greater than the next three dominant analytics techniques: application analytics (48%), interaction analytics (43%), and cross-channel attribution (41%).
- › **Understanding customer web engagement is still critical to business success.** The past decade has seen a significant shift of proportion of internet traffic and customer engagement from PC web browsers toward mobile apps, mobile browsers, tablet and TV apps, and other internet-of-things (IoT) devices.³ However, the vast majority of active internet users still interact via browsers, which also remain the most important digital channel for consumers to make their purchases.⁴
- › **Modern web analytics technologies extend beyond browser analytics.** Although understanding visitor behaviors is still important to CI pros, today's digital practitioners are using their web analytics systems for a lot more. The majority also use these systems to aid behavioral targeting efforts to personalize customer engagements (70%), manage their digital data within a data warehouse (63%), integrate it with online testing technologies (57%), and perform application analytics (53%).⁵

FIGURE 1 Web Analytics Remains The Most Dominant Digital Intelligence Platform Capability

Proportion of enterprises using each technology listed via a digital intelligence technology platform



Base: 44 digital intelligence platform users

Source: Forrester's Q2 2017 Global Digital Intelligence Platforms Forrester Wave™ Customer Reference Online Survey

Evaluated Vendors Sit Within Three Of The Seven Digital Intelligence Categories

Vendors that provide web analytics technologies are part of a broader DI landscape of vendors that either 1) manage digital interaction data; 2) analyze digital interaction and related data; 3) inform and/or optimize customer interactions based on insights gained from data, analytics, testing, and machine learning; or 4) provide any combination of these three.⁶ Forrester has identified seven categories of digital intelligence, each representing a different combination of capabilities (see Figure 2). The web

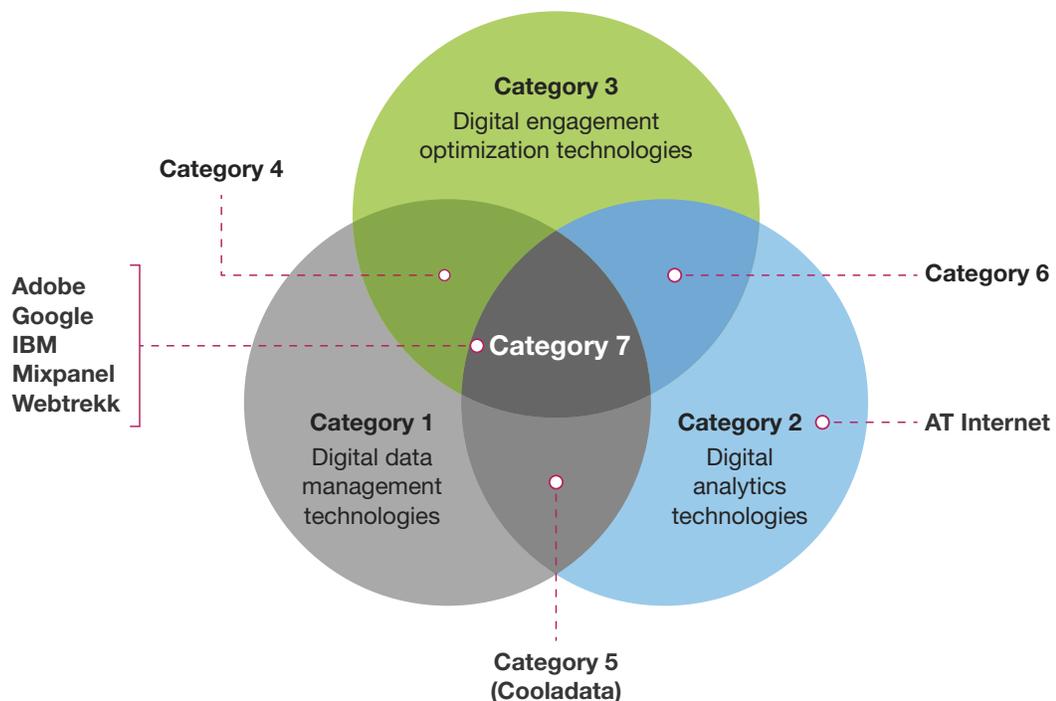
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analytics vendors evaluated within this Forrester Wave come from one of three DI categories. These three DI categories all have strong digital analytics capabilities but are differentiated from each other:

- › **Category 2 DI vendors are digital analytics specialists.** AT Internet falls into this category. Other analytics specialists within this group include those that focus on mobile analytics (e.g., Appsee), social analytics (e.g., Sprinklr), and interaction analytics (e.g., User Replay).
- › **Category 5 DI vendors emphasize data management with analytics.** Cooladata sits within this category. Other vendor types within this group include those focused on digital performance management (e.g., New Relic), streaming analytics (e.g., Keen IO), and tag management (e.g., Commanders Act).
- › **Category 7 DI vendors offer data, analytics, and optimization capabilities.** Adobe, Google, IBM, Mixpanel, and Webtrekk reside within this category. These vendors were also evaluated for their DI capabilities in our Q2 2017 Forrester Wave evaluation of digital intelligence platforms.⁷ The majority of category 7 vendors have data warehousing technology; provide a combination of mobile analytics, web analytics, and attribution analytics; and include some form of behavioral targeting.

FIGURE 2 Evaluated Web Analytics Vendors Come From Three Of The Seven Digital Intelligence Categories



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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. After examining past research, user need assessments, and vendor and expert interviews, we developed a comprehensive set of 32 evaluation criteria, which we grouped into three high-level buckets:

- › **Current offering.** The capabilities we evaluated included data ingestion (e.g., web browser instrumentation and visitor tracking); data repository, model, and access (e.g., data storage and customer profiling); data ownership (e.g., syndication, privacy, security, and portability); analytics and reporting (e.g., segmentation; attribution, and mobile analytics); dashboards and alerts; artificial intelligence; web analytics usability and user experience; and web analytics technology ecosystem (i.e., APIs and first-party DI products and integrations).
- › **Strategy.** We reviewed each vendor's strategy, evaluating its product vision, execution road map, performance, supporting services, and partner ecosystem. Partner ecosystem is critical because the web analytics solution sits within a much larger DI and customer engagement technology stack.
- › **Market presence.** The elements of market presence we evaluated include web analytics revenue, number of enterprise customers, and average deal size. Forrester examines market presence to provide assurance that evaluated vendors are financially stable and viable for enterprise customers.

Evaluated Vendors And Inclusion Criteria

Forrester included seven vendors in the assessment: Adobe, AT Internet, Cooladata, Google, IBM, Mixpanel, and Webtrekk. Each of these vendors has (see Figure 3):

- › **A web analytics solution that motivates client inquiries.** Forrester clients often discuss the vendor's web analytics products through inquiries; alternatively, the vendor may, in Forrester's judgment, warrant inclusion or exclusion in this evaluation because of web analytics technology trends or market presence.
- › **A dedicated web analytics software solution.** The vendor offers a software solution specifically built to deliver web analytics functionality. This functionality is core to the solution and is not simply an add-on to other analytical functionality, such as interaction analytics from session-based replay data, customer analytics, or insights-driven optimization. Enterprise customers use the web analytics solution as a standalone software tool.
- › **A solution with a complete set of advanced enterprise web analytics functionality.** Evaluated vendors provide a complete set of advanced web analytics functionality, including in-browser instrumentation for collecting visitors' contextual and behavioral data, the provision and management of an extensive set of out-of-the-box metrics and dimensions, and customizable self-service dashboards.

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- › **An enterprise web user base.** Ten or more enterprises are users of the vendor's web analytics solution.

FIGURE 3 Evaluated Vendors: Product Information And Selection Criteria

Vendor	Product evaluated	Product version evaluated
Adobe	Adobe Analytics	Spring 2017 release
AT Internet	Analytics Suite	V1.04-07-17
Cooladata	Cooladata	SaaS; continuously updated
Google	Google Analytics 360	SaaS; continuously updated
IBM	IBM Watson Customer Experience Analytics	SaaS; continuously updated
Mixpanel	Mixpanel	Mixpanel
Webtrekk	Webtrekk Analytics	Webtrekk Analytics

Vendor inclusion criteria

1. The web analytics solution has sparked client inquiries and/or the vendor has web analytics technologies that put it on Forrester's radar. Forrester clients often discuss the vendor's web analytics products through inquiries; alternatively, the vendor may, in Forrester's judgment, warrant inclusion or exclusion in this evaluation because of web analytics technology trends or market presence.

2. The vendor provides a dedicated web analytics software solution. In other words, the vendor offers a software solution that has been specifically built to deliver web analytics functionality. This functionality is core to the solution and is not simply an add-on to other analytical functionality, such as interaction analytics from session-based replay data, customer analytics, or insights-driven optimization (e.g., A/B testing or online testing). The web analytics solution is offered to and used as a standalone software tool by enterprise customers.

3. The software solution has a complete set of functionality for advanced enterprise web analytics needs. Evaluated vendors provide a complete set of advanced web analytics functionality, including in-browser instrumentation for collecting visitors' contextual and behavioral data, the provision and management of an extensive set of out-of-the-box metrics and dimensions, and customizable self-service dashboards.

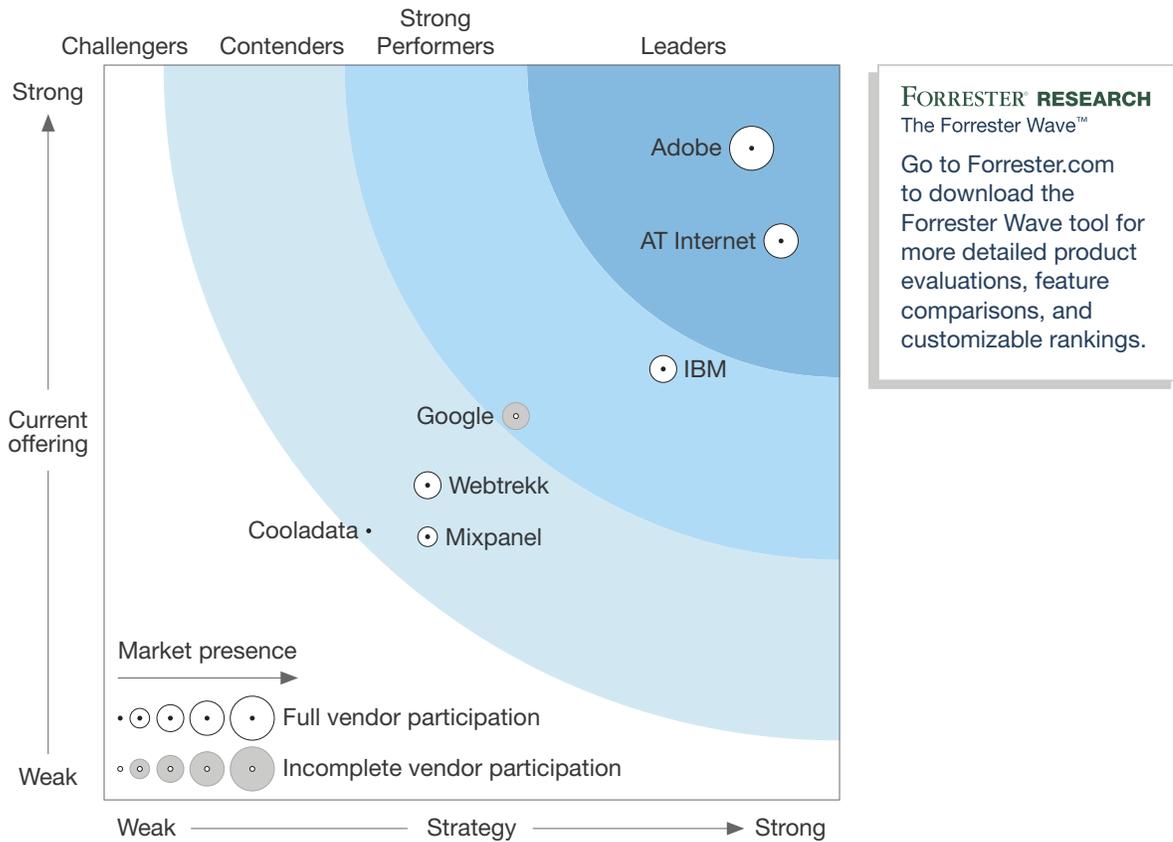
4. The vendor has an enterprise user base. Ten or more enterprises are users of the vendor's web analytics solution. Forrester defines enterprise-sized customers as firms with at least \$1 billion in annual revenue.

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Vendor Profiles

This evaluation of the web analytics market is intended to be a starting point only. We encourage clients to view detailed product evaluations and adapt criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool (see Figure 4).

FIGURE 4 Forrester Wave™: Web Analytics, Q4 '17



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FIGURE 4 Forrester Wave™: Web Analytics, Q4 '17 (Cont.)

	Forrester's weighting	Adobe	AT Internet	Cooladata	IBM	Mixpanel	Webtrekk
Current offering	50%	4.42	3.79	1.82	2.92	1.78	2.13
Data ingestion	10%	4.10	4.00	1.90	2.90	1.70	2.80
Data repository, model, and access	10%	4.20	3.00	1.00	3.80	1.60	2.40
Data ownership	10%	3.50	4.00	1.50	3.00	2.00	2.00
Analytics and reporting	30%	4.80	3.95	1.60	3.15	1.50	2.20
Dashboards and alerts	10%	4.00	3.00	2.00	2.00	2.00	2.00
Artificial intelligence	5%	5.00	3.00	0.00	1.00	1.00	1.00
Web analytics usability and UX	15%	5.00	5.00	4.00	2.00	3.00	1.00
Web analytics technology ecosystem	10%	4.00	3.00	1.00	4.50	1.00	3.50
Strategy	50%	4.40	4.60	1.80	3.80	2.20	2.20
Product vision	20%	3.00	5.00	1.00	3.00	1.00	1.00
Execution road map	20%	5.00	5.00	1.00	5.00	1.00	1.00
Performance	20%	5.00	4.00	3.00	3.00	3.00	3.00
Supporting services	20%	4.00	5.00	2.00	4.00	3.00	3.00
Partner ecosystem	20%	5.00	4.00	2.00	4.00	3.00	3.00
Market presence	0%	4.80	3.40	1.00	3.00	2.00	2.40
Web analytics revenue	40%	5.00	3.00	1.00	3.00	2.00	2.00
Number of enterprise customers	40%	5.00	4.00	1.00	2.00	2.00	3.00
Average deal size	20%	4.00	3.00	1.00	5.00	2.00	2.00

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

Leaders

- › **Adobe maintains its dominant position and strength within the web analytics market.** With its Adobe Analytics spring 2017 release, Adobe has sought to emphasize features that democratize meaningful and actionable digital insights to anyone in the enterprise. It has concentrated on making the UI more intuitive and building on capabilities that allow the exploration of data

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breakdowns, relationships, and comparisons. While Forrester has seen some success with this endeavor, some customers still feel that the interface is a bit daunting and that it can be a challenge to bring new hires up to speed with the product. B2C customers are by far the largest group using the product and come from a broad range of buyer types and industry verticals.

- › **AT Internet has quietly continued to strengthen its position in the market.** Sometimes an unsung web analytics leader, AT Internet prides itself on Analytics Suite's focus on helping global enterprises comply with modern data security, privacy, and confidentiality requirements, backed by enterprise-class data SLAs — not surprising given the vendor's European heritage.⁸ The vendor's customer satisfaction scores were some of the best for many of the web analytics areas assessed in this evaluation. However, some customers we spoke to felt that the UI could be made simpler and is due for a face-lift. Over half of AT Internet's revenue comes from the media and entertainment, financial services, and retail sectors. Its biggest buyers within the enterprise are digital analytics leads, CMOs, and chief technology officers.

Strong Performers

- › **IBM wants to embody easy-to-use web analytics.** IBM's Watson Customer Experience Analytics product enables its customers to optimize websites, marketing, and digital applications to increase conversion, loyalty, and customer lifetime value. In absolute terms, IBM has seen success with this. However, relative to some of its traditional web analytics competitors, the vendor has lost ground in its current offering and strategic approach. The large majority of enterprise buyers for IBM's web analytics product are either CMOs or digital/customer analytics leaders. About half come from the financial services, retail, and insurance sectors.
- › **Google continues its foray into the enterprise web analytics market.** With its Analytics 360 Suite, Google combines its digital analytics capacities with that of tag management (Google Tag Manager 360), site optimization (Google Optimize 360), data visualization (Google Data Studio), a market survey/research tool (Google Surveys 360), attribution (Google Attribution 360), and audience management (Google Audience Center 360). The product continues to show its strength in application usability and UX. However, even though it is now part of a suite, the product still lacks the level of support and capability for data management, data ownership, analytics, and reporting provided by some of leading vendors in this report. Google's product appeals to a broad range of users within CMO and digital analytics teams, which make up roughly half of the buyers. Many buyers are from retail, financial services, and media, entertainment, and leisure. Google did not actively participate in this Forrester Wave evaluation.

Contenders

- › **Webtrekk impresses with good web analytics capabilities at a competitive price.** A new entrant into the Forrester Wave, Webtrekk wants to provide easy access to raw data to all types of users and third-party tools for in-depth analysis. The vendor also boasts a DMP and marketing

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automation tool into which the web analytics product is closely integrated.⁹ Many customers feel the product offers great value for the price range; however, some say that the vendor must improve supporting material, third-party integration APIs, and a bulky UI. The vendor's products appeal mostly to buyers from CMO, chief digital officer, and digital analytics teams at B2C enterprises from the retail, financial services, and media, entertainment, and leisure verticals.

- › **Mixpanel is building web analytics capabilities from the ground up for ease and scale.** From its inception, Mixpanel took advantage of the reducing cost of data storage and processing power to capture large amounts of user detail and event properties to provide deep insights into user behaviors. However, some customers feel the experience with the UI, dashboarding/reporting, and administration could be improved. Some customers don't use the product as their primary tool for web analytics and insights democratization. Rather, analytics specialists used it for deep-dive ad hoc analysis. Most buyers come from the chief product officer, CMO, and customer analytics teams at companies within the media, entertainment, and leisure; consumer services; and high-tech industries.
- › **Cooladata strives for differentiation by measuring websites and beyond.** Cooladata provides a web analytics product with the ability to capture data from many different digital touchpoints and perform analysis on the fly using a dynamic data scheme. Some customers comment that the UI needs some work and that it is easier to generate relevant reports in other systems. This partly explains why some use the vendor's product less as their primary web analytics tool and more as a specialist business intelligence tool for products and product teams. Over two-thirds of buyers for Cooladata's web analytics product are from chief product officer and chief digital officer teams. The vendor's three largest verticals are online gaming, eCommerce, and media.

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Supplemental Material

Online Resource

The online version of Figure 4 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings. Click the link at Forrester.com at the beginning of this report to download.

Data Sources Used In This Forrester Wave

Forrester used a combination of three data sources to assess the strengths and weaknesses of each solution. We evaluated the vendors participating in this Forrester Wave, in part, using materials that they provided to us by October 13, 2017.

- › **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria.

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- › **Executive briefings.** An executive backed by a product team from each vendor presented and answered questions on the vendor's product strategy and market sizing.
- › **Product demos.** We asked vendors to conduct demonstrations of their products' functionality and to answer clarification questions posed to them. We used findings from these product demos to validate details of each vendor's product capabilities.
- › **Customer surveys and reference calls.** To validate product and vendor qualifications, Forrester also surveyed and conducted phone interviews with three of each vendor's current customers.

The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria for evaluation in this market. From that initial pool of vendors, we 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 evaluation — and then score the vendors based on a clearly defined scale. We intend these default weightings to serve only as a starting point and 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. For more information on the methodology that every Forrester Wave follows, please visit [The Forrester Wave Methodology Guide](#) on our website.

Survey Methodology

Forrester fielded its Q2 2017 Global Digital Intelligence Platforms Forrester Wave™ Customer Reference Online Survey to 44 individuals who were current clients of the vendors included in "The Forrester Wave™: Digital Intelligence Platforms, Q2 2017." We asked each vendor to supply at least three customers. For quality assurance, we required all respondents to provide contact information and answer basic questions about their firms' revenues and budgets. Forrester fielded the survey between January and February 2017.

Exact sample sizes are provided in this report on a question-by-question basis. Panels are not guaranteed to be representative of the population. Unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes. During this research, Forrester questioned

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end users about the features and state of their DI practices. We also asked about the value that DI approaches are currently providing and their intentions to mature such approaches to attain greater value in their respective firms. This research was intended to generate a qualitative understanding of the state of continuous optimization.

Integrity Policy

We conduct all our research, including Forrester Wave evaluations, in accordance with the [Integrity Policy](#) posted on our website.

Endnotes

- ¹ Forrester estimates that insights-driven businesses are growing at an average of over 30% annually, which will enable them to globally earn \$1.8 trillion per annum by 2021. See the Forrester report "[Insights-Driven Businesses Set The Pace For Global Growth.](#)"
- ² Forrester defines digital intelligence as the practice that includes the capture, management, and analysis of customer data and insights to deliver a holistic view of customers' digital interactions for the purposes of continuously optimizing business decisions and customer experiences across the customer life cycle. See the Forrester report "[Optimize Customer Experiences With Digital Intelligence.](#)"
- ³ The Global Mobile Report from comScore shows that just less than three-quarters of the global digital population use their desktops to access the internet. And a significant proportion of the population in many countries still only uses desktop computers. Source: Ben Martin, "The Global Mobile Report," comScore, September 12, 2017 (<https://www.comscore.com/Insights/Presentations-and-Whitepapers/2017/The-Global-Mobile-Report>).
- ⁴ Seventy-eight percent of internet users in the US made their most recent purchase via computers and browsers. Source: Forrester Data Consumer Technographics® North American Consumer Technology, Media, And Telecom Customer Life Cycle Survey, Q2 2017 (US).
- ⁵ Source: Forrester's Q2 2017 Global Digital Intelligence Platforms Forrester Wave™ Customer Reference Online Survey.
- ⁶ Forrester has organized DI vendors into seven categories based on their digital data, digital analytics, and digital optimization capabilities to guide decision makers on the combination of technology vendors they need to partner with to build a mature DI practice. See the Forrester report "[Vendor Landscape: Digital Intelligence Technology Providers You Should Care About.](#)"
- ⁷ In Forrester's 26-criteria evaluation of DI platform providers, we identified the 10 most significant ones — Adobe, Cxense, Evergage, Google, IBM, Localytics, Mixpanel, Optimizely, SAS, and Webtrekk — and researched, analyzed, and scored them. See the Forrester report "[The Forrester Wave™: Digital Intelligence Platforms, Q2 2017.](#)"
- ⁸ SLAs: service-level agreements.
- ⁹ DMP: data management platform.

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