

MarketScope for Web Content Management

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The Web content management market is mature and expanding. Buyers are placing their increasingly demanding requirements in a more appropriate business context and vendors are rising to the challenge of meeting those requirements.

WHAT YOU NEED TO KNOW

The Web content management (WCM) market has changed significantly since the beginning of 2007. The rate of vendor consolidation has fallen and the maturity of the market has increased. As a result, buyers have a greater confidence in the available offerings. Functions such as workflow, ease of use and multisite management are no longer differentiating factors; they are the norm. Therefore, vendors are making efforts to differentiate themselves in other ways. This includes the enablement and/or provision of solutions that can be tailored to specific business objectives. Examples include marketing-oriented solutions to increase the revenue for a specific product line or self-service solutions designed to increase profitability. The IT function still has a major role to play in the selection, deployment and operations of a WCM solution. But it is the business units that are determining the solution's primary direction.

It is imperative that CIOs, IT and business leaders analyze their use of WCM with the following in mind:

- Do you currently have a highly-customized WCM solution that was developed in-house more than three years ago? If so, assess the range of out-of-the-box capabilities offered by the WCM vendors before carrying out any major upgrades to your current system. Recalculate the total cost of ownership (TCO) for both options and assess whether it makes sense to move to an offering from one of the WCM vendors instead of continuing to develop a home-grown solution.
- Are you observing the expected value from your WCM system? If not, the market could provide you with some attractive alternatives. Link the purposes of your WCM solution to specific business objectives and determine which offering best suits these objectives.

In any mature market, replacement of existing solutions occurs more frequently. In the WCM market, this is compounded by the high quality of the WCM products on offer and the reduced required investment for some of those products. Despite economic uncertainties, the current state of the market suggests now is an excellent time to consolidate or rationalize certain components of your WCM approach. If you are using multiple vendors for your core WCM capabilities, you should reassess this strategy. Given the maturity of some WCM offerings, it may now be feasible to consolidate the number of solutions and find a single vendor to address your fundamental WCM needs.

MARKETSCOPE

Gartner Definition of WCM

Gartner defines WCM as the process of controlling the content of a Web site through the use of specific management tools based on a core repository. These may be procured as commercial products, open-source tools or hosted service offerings. Product functionality goes beyond simply managing HTML pages to include:

- Content creation functions, such as templating, workflow and change management
- WCM repositories that contain content or metadata about the content
- Library services, such as check-in/check-out, version control and security
- Content deployment functions that deliver prepackaged or on-demand content to Web servers

Convergence of Technology or Platforms

The technology on which WCM is based has also evolved. There are three primary "flavors" of WCM and these are based on the Java Enterprise Edition (Java EE), .NET and Linux, Apache, MySQL, PHP (LAMP) platforms respectively.

- Java EE (originally called J2EE) is arguably one of the first widely adopted Web platforms that injected stability into the WCM market. Java-based standards are still under development. Of particular interest is the Java Specification Request (JSR) 168/286 portlet standard, which facilitates portlet-level integration to WCM repository services, and JSR 170/283, which allows Java content repositories to be more open to integration.
- .NET comprises technology introduced by Microsoft that is receiving renewed impetus from the widespread adoption of Microsoft Office SharePoint Server (MOSS) 2007, also known as SharePoint. Although not a standard in the strict World Wide Web Consortium (W3C) sense, the accelerated adoption of the technology has provided the required stability for non-Microsoft vendors to base their offering solely on this platform. Sitecore and Ektron are vendors that provide "pure" .NET WCM offerings; Open Text's RedDot is an example of a WCM offering that provides good support for .NET, while supporting Java EE for its content delivery.
- LAMP comprises the platform on which many open-source software (OSS) offerings are based and carries with it an eager following in the respective OSS communities. LAMP-based OSS offerings are increasing in stability and robustness, and are gaining greater respect at an enterprise level. Alfresco, Zope, Plone and OpenCMS all fall into this category.

Of the three available platforms, vendors featured in this document are based primarily on either Java EE or .NET. Although OSS is an important consideration for the WCM market, its penetration in terms of generated revenue — less than 3% of total WCM software revenue — remains significantly low in comparison with that of the featured vendors.

Processes Within WCM

Governance requirements are manifesting themselves more conspicuously with the new generation of WCM offerings. Traditionally, there were two competing forces. The first concerned the speed at which some content required publishing, as business users needed to have their content published in time for a specific marketing campaign or in response to a particular event. The second emerged from the perceived risk of publishing content "too quickly" without the appropriate due diligence, checks and approval. Market offerings now permit these two forces to cohabit the same solution space. Workflows are more easily set up, optimized and audited. The user interfaces have become more intuitive and permit their use without the need for extensive training. The traditional process of having IT functions submit content into the system is rapidly diminishing with each successful deployment of the new range of offerings.

Gartner observes from its client interactions that this development has led to a different audience for the selection phase of most vendor offerings. Vendors are under greater pressure to understand the business of their prospects as discussions move beyond features and functions to business applications and solutions.

The Human Factor

Some of the most important developments for WCM have involved the manner in which applications are accessed and the presentation layer now possible for user interaction. The increasingly intuitive user interface has reduced the barrier to use for internal employees, and adoption rates are correspondingly higher. Although change management is still advised for these users, the risks that could inhibit adoption are not as high as with previous generations of products.

Less intuitive is the emergent cultural change spearheaded by the Web 2.0 phenomenon. Individuals landing on a particular Web site now wish to "use" the site rather than being relatively passive visitors. They expect to contribute content through wikis and to tag content through folksonomies. From now on, the concepts of change management and user adoption will need to be applied to both internal and external users.

Outlook for WCM

The prospects for WCM are overwhelmingly positive. A fresh cultural shift now focuses on the myriad possibilities of using the Web as a medium for rich interaction with well-targeted audiences and market segments. The Web is an excellent medium with which to innovate, measure, analyze and improve. Gartner client interactions about WCM over the last nine months back this up. Discussions are shifting away from fact checks of whether specific fundamental requirements can be fulfilled. Instead, questions are being posed about vendors' ability to support key business needs. Discussions with reference customers of these vendors have also pointed to a maturing use of WCM and a readiness to embrace the latest technologies, especially where there is a clear business return on the investment. A key driver for this readiness to experiment is that any new ideas can be ratified relatively quickly as contributors to key competitive goals. This new close proximity of Web and business users will lead to a greater need for solutions with a clear business focus, together with the supporting analytics, to ensure the successful direction and application of these solutions.

Market/Market Segment Description

Market Definition

The WCM market includes software that helps manage content for extranets, intranets and Internet domains. In this MarketScope, we exclude portals and OSS offerings. While there are overlapping requirements with portal technology in the areas of personalization, content management and content delivery, portals fundamentally comprise complementary technologies, standards and strategies and are considered along with their respective vendors to occupy a separate market (see "Web Content Management and Portals: Collusion Not Collision"). The decision to exclude OSS was primarily based on the difference in basic business models and the inappropriateness of comparing such offerings to more established vendors with more traditional or software-as-a-service (SaaS) business models. The effect of OSS should not be underestimated, and Gartner sees it having an increasing influence on the WCM market in terms of culture and technology. All featured vendors also support the use of a single repository for all three primary domains. The growing application of such repositories as platforms is being tracked in this market but is currently not weighted strongly in the individual analyses.

State of the Market

The market has matured significantly in the last four years. It is still growing and product reliability and scope, coupled with technological and application innovation, is spurring further investment and expenditure. Between 2003 and 2007, market consolidation was very apparent with larger

vendors such as EMC, IBM and Oracle extending their portfolios with new WCM capabilities. Since 2H07, such large-scale WCM acquisitions have been largely nonexistent. The current market demonstrates a trend toward a single enterprise content management (ECM) strategy but with many organizations opting for a dual- or multi-vendor strategy. This has led to fragmentation within the WCM market and has provided opportunities for best-of-breed vendors to fill the gap. These vendors required greater innovations in order to differentiate themselves, which has prompted the larger ECM vendors to play "catch up." But these developments have also made smaller WCM vendors more successful, and this has led to a pronounced bifurcation in the market. Vendors are primarily popular either in the low-cost, departmental or small and midsize business (SMB) context or possess the enterprise capability to address the requirements of high-end, fully scalable offerings.

Gartner views WCM as a subset of the ECM market. The WCM market commands revenue of approximately \$750 million. With an estimated compound annual growth rate (CAGR) of 15% between 2007 and 2012, it is growing faster than the overall ECM market. As a result, worldwide expenditure on WCM accounted for over a quarter of the ECM market in 2007 (it represented just over a fifth in 2004). The trend for increased outlay on WCM is strongest in Europe, the Middle East, Africa and Asia/Pacific. But with analytics, social community and interactivity, personalization, media and digital asset management (DAM), and in some cases e-forms and localization, to be counted as part of the new "marketing machines," the worldwide WCM market is poised to grow substantially as customer engagement becomes an even greater priority.

There is a renewed interest and consequent drive to link WCM technology to fundamental business goals. Gartner still sees a lag between the theory and practice of this link, but this driver will be paramount in the coming 18 months. In addition, growing confidence in the available offerings is spurring potential customers to evaluate their existing systems, which may not be delivering the required level of business value.

The main market inhibitor is the lingering worry about repeating old mistakes with new technology. It is true that the technology itself rarely, if ever, constitutes a solution. The processes and people that surround this technology are, in effect, the agents of solution success. Understanding the potential contribution of a WCM solution for your business is key to overcoming these risks.

Key Market Trends

During the past year, a number of key trends have emerged and are shaping the market and the strategies of the vendors. The following sections highlight those of primary importance together with related "action items."

From Systems to Solutions

It is becoming more important that the product offering be placed in the context of a concrete solution targeted at solving a specific business problem or achieving a specific business objective.

Action Item: The goals of any change of direction should be well understood before thinking in terms of requirements. Link these goals to your business objectives and understand the resultant program of work in terms of the intended activity cycle.

From Visitors to Users

Web sites should incorporate Web 2.0 features in a way that monetizes the inclusion measurably. Understand that many segments of your overall target audience will want to interact with your Web site.

Action Item: Understand the cultural shift and consequent bias toward the Web 2.0 phenomenon. Passive Web sites no longer have the same lure or stickiness. Incorporate sensible Web 2.0 features into all domains including Internet, intranet and extranet. Encourage user-generated content and analyze this content to gauge the success and direction of your Web site.

From Technical to Business

The question "for what purpose can we use WCM?" is replacing "how do we use WCM?" in terms of importance. The business stakeholder is having a greater say in the selection of the WCM vendor. Sales pitches based on technology alone are becoming less successful and less common.

Action Item: Determine how WCM will ultimately help the business, then decide the overall approach and required solution components. Only then should you consider the requirements necessary to achieve those components and the technical considerations required to make the overall solution a success.

From Tactical to Strategic

The need for higher return on investment is leading to WCM solutions being considered in a more strategic context. Interoperability needs to be considered, as do potential rationalizations of existing systems. The need for short deployment times has increased, but even these tactical steps are being placed in the context of a longer-term, well-thought-out road map.

Action Item: Build a road map for your overall WCM plans. Understand the role and priority of individual steps in this wider perspective. Periodically ensure the WCM initiative and business objectives are still in close alignment. Be prepared to update the sequence of phases in your overall road map in response to changing forces in your industry or sector. Use a WCM maturity model to help you with this process.

From In-House to Hosted

Outsourcing delivers WCM functions, including content creation and technical infrastructure, as a service via the Internet. Customization options are generally modest compared with those of on-premises solutions. Consider outsourcing WCM when operating budgets are sufficient to support ongoing costs but capital budgets are too low to permit purchasing an on-premises system. These offerings focus primarily on extranet and public Web site publishing, typically for SMBs, nonprofit organizations, and state and local government entities. While vendors offer initial design-and-configuration services and can do custom development work on request, heavy application building or integration with other enterprise systems is more difficult than it would be with an installed solution.

Even large companies can make temporary use of such services while evaluating and planning for enterprise system deployments. In some cases, it is not an "either/or" decision. Departments in larger enterprises can benefit greatly from a combined approach. The SaaS option can address more tactical, immediate requirements for time to value, while a more strategic, parallel program of work can address the longer-term business objectives. Some vendors are providing this service but their revenue contribution to the overall market is still very small. Given the product overlaps and lack of consistently high user satisfaction in most enterprises, a simple and effective alternative to in-house complexities and costs should be popular. Yet this part of the market continues to grow by a smaller margin than in other software areas. One reason for this is that hosted WCM may not integrate easily with enterprise application data, thus undermining the argument that development costs will be substantially lower because it may require additional professional services costs to connect.

Action Item: Understand the technological limitations (for example, lack of interoperability with in-house systems) as well as the ongoing cost structure before deciding to use SaaS offerings. If the advantages of low capital investment and shorter time to value meet your tactical business needs for an external Web site (for example, for a marketing campaign), then SaaS becomes a more realistic alternative.

From Global to Local

The rise of regional vendors like Germany's CoreMedia as well as a focus on localizing content via translation services (SDL coupled with Tridion) is highlighting the need for successful Web sites to have a global context while catering for regionally sensitive content and solutions. This transcends the requirement for multilingual capabilities. Addressing regional demographics beyond national segmentation is essential as WCM becomes a more integrated tool in regionally sensitive solutions — for example, in marketing campaigns, brand control and information dissemination. The traditionally complex requirement for more granular sensitivity to regional demographics is becoming more manageable. Available analytics are helping to increase the success of finely targeted content.

Action Item: Assess the requirement of more finely tuned granular content to enhance the success of your Web sites. Increase the application of available analytics. Utilize a feedback mechanism to experiment and successively increase the appropriateness and positive effects of contextually sensitive content.

From Heavily Priced to Inexpensive

In a mature market, the occurrence of vendor replacement is high. Sometimes the prospect of expensive upgrades or high yearly maintenance justify seeking a lower-priced alternative. This effect will be compounded if the organization is not utilizing, or does not require, the features that warranted the higher price of the product originally selected. Availability of quality mid- or lower-market alternatives, such as Microsoft's SharePoint or Ektron's CMS400.NET, is fueling this move to inexpensive solutions.

Action Item: Examine the alignment of existing selections with their returned value for your organization. Return on investment should be an ongoing measure rather than an action confined to the initial selection phase. Options that are less expensive may yield a higher return and justify a replacement.

From Proprietary to Open Source (or Open Standards)

Interest in OSS is increasing, and with good reason. Whether commercial (for example, Alfresco) or true open source (for example, Drupal), a combination of shifting organizational cultures, functional richness and maturity of the offerings is raising the profile and attractiveness of this option.

Action Item: Consider OSS if your organization has a culture of in-house development and there is a supply of resources with the relevant expertise. But look beyond the initial price tag and consider TCO over the period of your intended program of work. What you save in software costs may need to be invested in resources and change management.

From Complex to Uncomplicated

There are plenty of developer-friendly WCM platforms. But as business or marketing leaders become decision-makers in technology spending, they might focus on casual marketing and non-developer users with products like PaperThin or EPiServer.

Action Item: Ensure developer friendliness is one of your selection criteria. However, empowering the business staff means that ease of use will have a higher priority.

From File-Level to Granular

Managing content creation as granular metadata (that is, XML) rather than at the file level (via HTML) requires a combination of authoring, development and classification as can be found with Ingeniux.

Action Item: Think about content rather than Web pages and ensure your selection supports management of granular content that can be easily reused.

Inclusion and Exclusion Criteria

This MarketScope focuses on WCM software vendors that license server-based software or offer solutions based on a SaaS model, whether as specialized WCM software or as a module or component of larger ECM suites. We have identified 17 vendors that, at a minimum, offer:

- Authentication of users (authors, editors and reviewers) and assignment of permissions.
- Content authoring, through browser-based templates or via conversion from a word-processing application.
- A content repository with basic library services, such as check-in/check-out and versioning.
- Workflow sufficient for content review and approval.
- Conversion to HTML or XML and support of templates for Web rendering.
- Managed delivery of content to Web servers or site management systems.
- Capabilities for multisite and multilanguage management.

If the offering was not based on a core integrated repository, or was not offered as a stand-alone product, it was not considered for the analysis. Equally, we did not include:

- Vendors with WCM revenue of less than \$10 million in 2007 (that is, licenses, subscriptions and maintenance revenue). This matches the revenue cutoff used in the Magic Quadrant for Enterprise Content Management. While it omits some providers of capable and interesting software, the market is evolving rapidly — many of them are gaining traction and will be included in future editions.
- OSS. There are a few competent open-source WCM systems, but they are not widely used by commercial enterprises because of accountability and support issues. Also, such vendors do not meet the revenue cutoff requirements for inclusion. We will publish more research on open-source WCM in 2008.
- Web consultants that offer software only as part of a service engagement.
- Vendors that offer WCM-related software (for example, individual tools for Web publishing, like those from Adobe) but do not meet the criteria listed above.

Several vendors have been excluded from this MarketScope based on the above criteria. Adobe's Contribute is a popular offering and has server-based functionality that provides Web authoring, staging and deployment management, as well as Really Simple Syndication (RSS) notification services and business activity logs. However, since these functions do not surround a

core WCM repository it was not included. SAP NetWeaver also offers WCM capability, but Gartner does not see these capabilities being sold as a stand-alone offering. Other vendors, such as PaperThin, DynamikWeb, Vyre and Hannon Hill, have been excluded because their respective WCM-related software revenue was less than the threshold \$10 million for 2007.

Rating for Overall Market/Market Segment

Overall Market Rating: Positive

The WCM market is entering a new phase of its evolution. There is a clearer link between WCM and business success, which is driving both solution selling and innovation. The cultural upheaval that accompanies the onset of Web 2.0 is also making organizations examine how WCM can contribute more effectively to primary goals and augment existing systems in that regard. Innovation will be the key in this new phase, and we are already seeing signs of this. Interwoven's application of its acquired Optimost software for multivariable testing is a prime example. Marketers now have access to a fresh perspective on the effectiveness of specific areas of their Web site and can experiment with ideas to increase this effectiveness.

OSS is gaining a stronger foothold in this market. If it is to survive the competition from more traditional vendors, it needs to step out of its "technical" focus and embrace the solution trends already discussed. The traditional vendors are becoming aware of this and are realigning their marketing and offerings appropriately. It is not a race against time, but against the maturity of the OSS contributors and whether they begin to embrace business solutions rather than just technical WCM systems. Established vendors must take a longer-term view to offset the risk of lost market share, strategize appropriately and build their marketing and offerings around this new platform of innovation.

SaaS is also gaining more traction but is gaining little of the market revenue. Coexistence between SaaS and traditional solutions is likely to be the best bet for SaaS, as specific business cases do not permit this form of solution. Classic among these are solutions that require deep integration into internal systems. However, solutions that can be served as SaaS include some marketing campaigns with modest requirements and a very short time to value.

Gartner estimates a typical replacement cycle in the WCM market to be around four to six years. This will be slightly longer in the cases of home-grown systems where WCM has played a secondary role to the core business in providing dissemination of information rather than revenue growth or increased profitability. For many organizations this cycle is reaching maturity. The estimate is skewed slightly by the lengthier vendor selection phases. Selection is becoming more complex as old criteria are applied to the new generation of offerings. When organizations discover that the basic requirements are addressed well by almost all vendors, convergence on a shortlist becomes more difficult. In addition, the pains experienced and lessons learned during initial deployments between 2000 and 2004, combined with the current climate of economic uncertainty, exacerbate the difficulty of selection.

Offsetting these inhibitors is the overwhelming sense it makes to progress from a home-grown system to the type of WCM system available today. This will inject significant revenue into the WCM market, rendering a level of spending more visible to market analysis than the sometimes hidden costs connected with solutions developed in-house. Those whose corporate culture strongly supports systems built in-house may turn to OSS sooner than the overall market and this will offset some of the increased value of the WCM market. However, this trend is more likely in 2H09, when OSS will gain much greater traction with larger enterprises. In addition, the loyalty typically demonstrated in an emerging or consolidating market is slowly being replaced with a close scrutiny of perceived value. This trend will be accompanied by a higher-than-usual level of replacement and will thus inject further revenue into the market.

Evaluation Criteria

Table 1. Evaluation Criteria

Evaluation Criteria	Comment	Weighting
Product/Service	Core goods and services offered by the vendor that compete in or serve the defined market. This includes current product or service capabilities, quality, feature sets and skills, whether offered natively or through OEM agreements, and partnerships as defined in the market definition and detailed in the subcriteria.	high
Customer Experience	Relationships, products and services or programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups and service-level agreements.	high
Sales Execution/Pricing	The vendor's capabilities in all pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, pre-sales support and the overall effectiveness of the sales channel.	high
Overall Viability (Business Unit, Financial, Strategy, Organization)	Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.	standard
Innovation	Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.	standard

Evaluation Criteria	Comment	Weighting
Marketing Execution	The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product or brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word-of-mouth and sales activities.	standard
Geographic Strategy	The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.	low

Source: Gartner

The ratings in Figure 1 are based on the criteria listed above, which are a mix of product strength, customer satisfaction, market performance and vendor viability metrics. Note that ratings are not entirely a function of vendor size, feature set or functional performance. Best-of-breed leaders in specific subsectors of the market may also be rated highly due to price/performance or other value propositions. Similarly, large enterprise vendors may be rated low due to specific circumstances, which may be temporary, such as a delayed release of a new product, an acquisition or a change of leadership that makes strategies or road maps uncertain. Thus, vendors in the same column may not be comparable to, or competitors of, each other, and should not be considered equivalent candidates for a specific requirement.

The vendor ratings have the following broad meanings:

Strong Positive: The vendor dominates the market as a whole, or a market segment, *typically* with double-digit share. It is a default choice for many buyers' shortlists. Its strategic direction is clear, stable and well-communicated, and it has an unquestioned ability to execute on that vision. Its research and development investments keep it ahead of market demand in technology and innovation. It provides a full range of implementation and maintenance services and certifies other providers with effective oversight. It is a global player with a direct presence around the world. It is growing at rates equal to or greater than those of the overall market, and its customer satisfaction is high. It is financially strong and consistently profitable. Customers can be confident in their investments, and potential customers should consider the vendor a natural addition to any shortlist.

Positive: The vendor is strong in multiple areas, and is viable enough to sustain a strategy for growth across a substantial market domain. It may dominate a subsector of the market, such as a particular platform, price range or vertical constituency. It has the R&D resources to make technical innovations that keep up with market demand. Its success may be due to strategic planning, or to being in the right place at the right time when market shifts make new features or

technologies popular. Customers should feel comfortable making continued investments but should consider making them incrementally. Potential customers should shortlist the vendor to meet their specific needs.

Promising: The vendor shows potential in specific areas, but needs to grow and mature before it can be considered Positive. Some small vendors with good products often fall into this category. They are often technical innovators, and may be among the first to exploit emerging technologies or platforms, such as Ajax, or products based on recently established industry standards. In some cases, they are just smaller than similar companies in the Positive category, and may move up as they grow. In periods of consolidation, vendors in this category may be the targets of technology acquisitions that lead to the disappearance of the brand. In some cases this category can contain larger vendors whose offering falls short of the expectations of the market and the consequent evaluation criteria and weighting chosen for this MarketScope. Customers should monitor the vendor's progress and have a plan of action for either positive or negative scenarios. Potential customers should be aware of the issues and opportunities.

Caution: This rating can mean several things. It may mean that the vendor faces significant challenges in one or more areas, or is troubled in some way, financially or otherwise. It may also mean literally "proceed with caution." The vendor or its products may be very new, with no enterprise track record; the vendor may be very small, with limited resources; or it may focus on a very narrow segment of the market. Customers should weigh the potential risks and have contingency plans. Potential customers should factor the challenges into their due diligence, and consider all investments tactical.

Strong Negative: The vendor is having a tough time responding to product, market or financial challenges. Customers should look for alternatives and make plans for a possible migration or change of direction. Potential customers should consider this vendor only if no alternatives exist. There are no Strong Negatives in this year's rankings.

Figure 1. MarketScope for Web Content Management, 2008

	RATING				
	Strong Negative	Caution	Promising	Positive	Strong Positive
Clickability			x		
CrownPeak				x	
Day Software			x		
Ektron					x
EMC Documentum			x		
EPiServer			x		
FatWire				x	
IBM (Lotus)		x			
Interwoven					x
Mediasurface		x			
Microsoft			x		
Open Text				x	
Oracle				x	
Percussion			x		
SDL Tridion				x	
Sitecore				x	
Vignette				x	

As of 25 June 2008

Source: Gartner (June 2008)

Vendor Product/Service Analysis

Clickability

One of the few SaaS providers in WCM, Clickability has survived a number of lean years to become popular among media and publishing clients. The company has also had success in targeting larger customers, particularly in the technology, manufacturing and financial services sectors in the past year. Founded in 1999, Clickability provides a Java offering based on open-source components, and its platform is now in its 24th release. Ease of use is a primary consideration when using any hosted product, and the Clickability platform supplements this with a good range of functions and support, including social media, interactivity, analytics and best practices gathered from other clients. The company also has a capable services arm and a set of references that compare favorably in size and impact to the market leaders. Although platform considerations aren't typically as important in SaaS markets, Clickability's concept of "infrastructure as a service" resonates well with content owners eager to make a transition to on-demand usage but unwilling to forfeit scale and security.

Clickability's revenue remains modest, which maps to the growth rate for SaaS-based WCM. Although Clickability has offered Web-based interactive tools since its inception, it only launched its WCM platform in 2003. If its growth rate is consistent with market forecasts, Clickability will have to market more aggressively against Microsoft Office Live and other SharePoint WCM hosts. It will also need to differentiate its offerings based on customization, vertical solutions focus, scale or analytics to achieve higher revenue, as price and ease of use are no longer leading pathways to success in a fragmented WCM market.

Rating: Promising

CrownPeak

CrownPeak has been a pioneer in delivering the combination of WCM and DAM as a service, and has focused on a slightly broader market than its main competitors. Efficient, standards-based integration touchpoints, coupled with a business-user-friendly interface are strong selling points for CrownPeak's hosted CMS product. Add to this another recent SaaS offering (contentmanagement.com) and CrownPeak might corner the market as the business-friendly alternative to complex in-house WCM. However, its hosted offering may still be more developer-oriented than those of competitors and its SaaS play may be a bit too simple. Somewhere in the middle is a balanced offering with innovative code as well as production-quality templates for common vertical site types. CrownPeak presents such a simple set of options that business buyers are likely to wonder if there is a catch. And, given a competitive overall market, choosing to battle on two fronts may strain resources further than the profitability from either market subset warrants.

Despite stable growth and relative popularity, CrownPeak struggles to win enterprise business from traditional competitors. The primary reason for failing to capture more market share is the loss of control possibly perceived by stakeholders as creative process definition and content control move outside the enterprise. However, the growing adoption of SaaS in the WCM market as a reliable and acceptable route for Web sites with modest requirements may help with this inhibitor. The company grew by over 60% in each of the last three years, and the recent inclusion of some larger enterprises in its 120 strong customer base is testimony to this trend, the quality of its offering and its effective marketing.

Rating: Positive

Day Software

Day Software was founded in Switzerland in 1993. Its flagship Communiqué offering, which is based on Java EE, is now in its fourth major release. Senior managers at Day contribute significantly to the development and adoption of open standards for the platform, including JSR 170/283. Communiqué is sold as a stand-alone offering but can be found bundled as an OEM version with IBM's FileNet. This bundled offering is likely to be available until the end of 2008. The product itself is robust, scalable and enterprise-class with good capabilities for multisite and multilingual management and workflow. The basic WCM system can also be augmented by Day's full portal offering or its collaboration or DAM products.

We rated Day as Promising primarily because of its solid, reliable product components. However, the user interface is not on a par with those of some competing vendors. So far, Day has placed little emphasis on solutions for individual industries or business units and has concentrated instead on more horizontal, technical alternatives. This strategy and focus on the technological standards could weaken Day's standing in the market. The effort being invested in open standards, while laudable, actually creates a risk that Day could lose its competitive edge and differentiation. It is likely to be one of the first vendors to come under attack from OSS offerings, which might even use the open standards developed by Day. However, the company has grown at a rate of approximately 38% over the past year and profitability has risen by 26%. As such, the *viability* of the company can be considered a "Strong Positive." Therefore, a shift in its marketing emphasis and solution offerings could raise its profile. The recent hiring of new management may pre-empt the risks already discussed and help return the focus to longer-term differentiation and the business solutions the market craves.

Rating: Promising

Ektron

Ektron is a prime example of the bifurcation in the market that Gartner is currently observing, offering a high-quality offering for lower-budget needs, and its Strong Positive rating must be taken in this context. The company was founded in 1998 and its flagship product, CMS400.NET, is currently in its seventh major release. The offering is based on .NET and provides good integration with SharePoint. CMS400.NET is well known for its intuitive user interface and consequent ease of use. Moreover, the company's eWebEditPro is a popular OEM inclusion in WCM offerings from several of the other vendors featured in this MarketScope. It has a very strong brand and components of its extended product set are used by 20,000 customers worldwide. It has grown consistently and aggressively during the past five years with an increase in operational revenue of 55% in 2007. This growth is being fueled by its channel partners, which currently number 340 in 40 countries and which accounted in 2007 for 42% of its total revenue.

Ektron has included some good collaborative capability into its user interface and has strongly embraced the benefits of Web 2.0 and social software functionality to help improve this. Traditionally, Ektron has been regarded as popular primarily for low-budget departmental or point solutions. With typical license deals ranging from \$15,000 to \$70,000, CMS400.NET offers high value for money and its customers have expressed a high level of satisfaction with product quality, time to deployment and the level of support.

While a leader for departmental, small or midsize business (SMB) and many educational and government needs, it's important to understand the places where Ektron today is not as suitable as other more richly functional and much more expensive solutions. Ektron currently is not as well aligned for the needs of most very large enterprises whose requirements often extend to deep support of e-commerce, personalization, metadata management and advanced analytics. In addition, the robustness and scalability of its current and planned offerings still needs to be proven in this enterprise context.

Rating: Strong Positive

EMC Documentum

EMC's primary WCM offerings include Web Publisher and Site Caching Services, which augment its content repository. EMC has placed its DAM developers into its core WCM team in response to market requirements for an improved experience based on richer content in WCM solutions. Traditionally, EMC relied on the established robustness of its core repository together with the flexibility of its XML-based authoring environment to fuel growth. Its biggest challenge, however, was its user interface and the frequent requirement for heavy customizations to achieve the desired user adoption among content contributors and editors. Its adoption of Web 2.0 technologies was limited until Version 6.0 of its product. Version 6.5, which is scheduled for release later in 2008, represents a marked improvement and offers an attractive option, particularly for organizations that already use EMC Documentum for other ECM solution components such as document management (DM) or DAM. EMC needs to ensure a smooth and prompt transition of its customer base over to Version 6.5. EMC's rating primarily reflects its current offer, but the company's strategic vision lifts its WCM offering far beyond the set of technical components that comprised Version 5. If EMC can execute on its vision, it will increase its probability of being shortlisted along with some of the best-of-breed solutions.

Rating: Promising

EPiServer

Swedish company EPiServer was founded in 1994. Its flagship CMS offering has been on the market for 10 years and is in its fifth major release. It is based on .NET and integrates well with

SharePoint. Although regionally strong in northern Europe, EPiServer has yet to establish significant traction in North America.

CMS's strengths lie in its ease of use and flexibility. The base product is well-architected with modules that cater for collaboration, community and real-time analytics with the impressive EPiTrace. Its EPiMore marketplace and alliance program provides close connectivity and integration with third-party products, and there is a strong sense of innovation around the development of solutions, particularly those geared toward sales and marketing.

EPiServer's rating reflects the overall quality of its offering and the caution concerning its global coverage. EPiServer has remained profitable throughout its history and it increased revenue by more than 30% in the last 12 months. With an average contract value below \$10,000, CMS represents excellent value for money. In fact, EPiServer borders on being considered a near-retail vendor when compared with its larger competitors. EPiServer may find similar success to other low-cost vendors that concentrate on product quality and build both geographic presence and enterprise experience. EPiServer's growth prospects are promising, given its 100% indirect sales and deployment models. This will permit higher penetration rates in North America while avoiding some of the pains of organic growth.

Rating: Promising

FatWire

FatWire was founded in 1996 and its Content Server offering is now in its seventh major release. The offering is based on Java EE and has established a positive reputation as an enterprise-class product. FatWire was quick to embrace the trend of enriching the experience for visitors to a Web site. This was a shrewd direction to take in a market that was largely still emphasizing the more rudimentary, routine functionalities such as basic workflow, rich text editing and content reuse. FatWire has since achieved a leading position with regard to rich, external-facing, persuasive Web sites. Its 2007 acquisition of Infostoria, a company that specialized in Web 2.0 technologies and content integration, has helped cement this strategy and provide FatWire with a leading position in the race to provide richer experiences for users of a Web site. Directly supporting this strategy is its extensive analytics capabilities, which lend an additional component to forming much-sought-after content-enabled marketing applications. FatWire is well-poised to exploit the trends currently observed in the market. With an average deal size of \$150,000 to \$250,000, Content Server is particularly appealing to the mid-to-upper market where the customer plans to build solutions around the product's core capabilities with a reasonably modest initial investment. FatWire's CPU-based pricing model permits full scalability of the offering to both the lower midmarket and larger enterprises.

In addition to its product quality and the very positive user experiences witnessed by Gartner, FatWire's thought leadership and its overall solution focus has contributed strongly to its Positive rating. With 500 customers worldwide, its user base is still modest. However, despite its relatively small company size of about 200 employees, it has managed to extend its global reach beyond North America and establish offices in Europe and Asia. International sales account for more than half of its revenue.

Rating: Positive

IBM (Lotus)

Lotus WCM (LWCM), previously known as Workplace for WCM, has been marketed under the IBM brand since the acquisition of Aptrix over five years ago. Now in its sixth major release, LWCM is a robust, scalable and enterprise-class product likely to be shortlisted by organizations that already have a significant investment in IBM for their Web infrastructure including, for

example, IBM WebSphere Portal. But LWCM can also be used as a stand-alone product and does not require a portal front end. LWCM's user interfaces lack the elegance and ease of use commonly found in competing products currently available. IBM has also not yet fully embraced Web 2.0 trends in this product, omitting options such as wikis and blogs. Deeper integrations are, however, planned for later in 2008 with IBM FileNet, and this will help IBM with its best-of-brand marketing strategy for LWCM. Prospects should consider LWCM for intranets and modest Web sites where IBM WebSphere Portal is already installed.

LWCM is a solid product offering. The Caution rating is the result of a number of contributing factors, all of which must be considered to the extent to which they apply to your specific WCM solution requirements. IBM's WCM technology strategy has not yielded a recent competitive offering in terms of features and functions, but has continued to deliver revenue from clients with a heavy developer investment in the custom code that sometimes accompanies a solution based on LWCM. Given the relatively high occurrence of replacement in a mature market, strong TCO arguments in favor of such a replacement may upset this revenue stream for IBM. Innovation has taken second place as IBM catches up with the offerings from competitors. Gartner has also observed a degree of confusion in the marketplace with respect to IBM's overall marketing strategy for its WCM offering. The acquisition of FileNet in 2006 carried with it an existing OEM agreement to include Day Software in ECM deals requiring WCM. The continued existence of this practice has caused uncertainty among the loyal customer base of IBM and has led some to look elsewhere to satisfy their WCM needs.

The outlook for IBM LWCM looks more promising, however. Despite the challenges discussed here, IBM's WCM business is growing and the close integration possibilities with its leading WebSphere portal is compelling. This is particularly noticeable in the manufacturing, financial services and government markets, which account for nearly 50% of its WCM customer base. In addition, updated functions are in line with some of the trends Gartner observes in the market. To consolidate this growth and potential, IBM will need to improve its messaging to the market and display a clear road map of its vision, the basis of that vision and how it will execute the supporting strategy.

Rating: Caution

Interwoven

Interwoven has long been one of the dominant vendors delivering high-end, enterprise-class WCM solutions. Over the past few years, it has increasingly focused its strategy on being a best-of-breed content management vendor. This strategy has paid off in terms of helping Interwoven achieve profitability, revenue growth and new customer wins. This is evidenced in the 13.5% growth in total revenue during the last 12 months and an increase in customer base to almost 4,300 by the end of 1Q08. It also reported a non-GAAP (generally accepted accounting principles) net income growth of 21% for 1Q08, a significant achievement given the current climate of economic uncertainty.

Organizations looking for capabilities to support dynamic and compelling Web sites, with the ability to deliver highly targeted content, should consider Interwoven. Interwoven's flagship product, TeamSite, is a Java EE-based product augmented by a suite of add-ons or related products that address analytics, metadata management, DAM, and content distribution and synchronization. Interwoven has differentiated its product offering by delivering a series of Web-based solutions and add-on products for TeamSite and MediaBin (its DAM product). The acquisition of Optiquest in 2007 has enabled Interwoven to add multivariable testing and Web optimization techniques to its content management offerings. With these solutions, Interwoven is addressing the needs of marketers with capabilities around Web site optimization, targeting and segmentation, and dynamic delivery of targeted, highly personalized content. The Interwoven

suite is built with business solutions as its primary focus and it should certainly be shortlisted for WCM strategies with demanding requirements in this area.

Rating: Strong Positive

Mediasurface

Morello, Immediacy and Pepperio comprise Mediasurface's core offerings for enterprises, the midmarket and SaaS respectively. The most mature product in the portfolio is Morello, which is currently in its fifth major release and enables Web applications to be developed in Java/JSP or ASP.NET. Morello is a very respectable product that scored well in terms of robustness, scalability and performance. Its architecture lends itself to integrations and smooth interoperability with third-party systems based on .NET or Java EE. Mediasurface has shown a clear focus on the business user in the design of Morello, which is in line with one of the most important trends in the market. The application of Ajax in its Web client is very impressive, and its user interface lends itself to easy adoption by business users. The .NET-based Immediacy and Pepperio products also have strong user interfaces that focus on ease of use for business users.

The Caution rating arises from concerns about Mediasurface's core strategy and financials rather than the quality of its products. Mediasurface is the only vendor in this report that has chosen different product lines to address different market segments. It is therefore difficult to assess how smaller deployments in larger companies can expand to an enterprise reach without needing a complete product replacement. This seems to underestimate the growing need for such flexibility, as individual business units have a greater say in the selected vendor offering.

Gartner also sees a growing interest in SaaS, sometimes as an initial or temporary step toward a more strategic WCM solution. Although Mediasurface provides a SaaS version of Morello, there has been little traction of this offering in an enterprise context in comparison with its competitors. Mediasurface's last full-year reporting period (ended September 2007) delivered mixed financial results. Whereas the company has shown respectable growth of over 27% in terms of revenue, it made an operational loss of about 15% during the same period. However, improvements have been made in terms of profitability during the first half of its current financial year.

Finally, the intended acquisition of Mediasurface by Alterian, a provider of marketing resource management and enterprise marketing management software, raises new questions about Mediasurface's future product strategy, even though the acquisition is likely to benefit Mediasurface. Once uncertainties surrounding Mediasurface's current state are lifted and it begins to execute effectively on a combined strategy with Alterian, the perceived risks are likely to dissipate. This will result in Mediasurface becoming a more positive option for prospective clients.

Rating: Caution

Microsoft

Since its release in November 2006, Microsoft Office SharePoint Server 2007 (SharePoint), has had a significant impact on the enterprise content management market, which includes WCM. The combination of portal, collaboration and basic content services, along with the WCM capabilities bundled into a single infrastructure platform, is a compelling proposition for many organizations, especially those where Microsoft is already a strategic infrastructure partner. On the flip side, Microsoft is delivering a "stack"-based offering with primarily standard, poorly differentiated capabilities. With SharePoint, Microsoft has embraced a solid strategy for its WCM road map and has made the correct decision to replace its previous WCM offering completely. But SharePoint still needs to mature, particularly in areas such as ease of content reuse, multisite management, workflow and enterprise-level federation capabilities such as replication and multi-

farm synchronization. With this offering, Microsoft lags behind best-of-breed offerings with greater market maturity. Thus, it cannot claim the same level of innovation as some smaller vendors.

While it does offer modest capabilities for most of the expected functional areas of WCM, SharePoint relies on partner solutions for replication and synchronization. Microsoft has been hugely successful in fueling the adoption of SharePoint, but in doing so has not addressed the demand for more specialized WCM solutions, relying instead on partners to fill the gap. As a result, companies considering SharePoint must become very familiar with the growing ecosystem of partner solutions to apply SharePoint directly to key business objectives. The potential combination is very compelling, but SharePoint as it currently stands remains in the Promising category.

Enterprise WCM solutions requiring replication across multiple servers or deep hierarchies of embedded template objects should not be based on SharePoint. However, the offering is a more attractive option for companies focused on achieving business objectives that need a strong intranet presence that requires high user adoption. This is the point at which synergies with other components of SharePoint can be exploited and where the greatest benefits can be realized.

Rating: Promising

Open Text

One of the top three ECM vendors and the largest pure-play content management vendor, Open Text has mainly been known for its collaborative document management offering, Livelink. The company's original entry into WCM emerged from the earlier acquisitions of IXOS (Obtree) and Gauss, which in fact gave it overlapping WCM offerings. However, until its acquisition of Hummingbird in 2006 and by extension RedDot, one of the leading WCM providers for midsize enterprises, Open Text had had undifferentiated product capabilities and a less-than-coherent strategy around WCM. The RedDot team now comprises the Open Text Web Solutions Group business and RedDot represents the strategic WCM offering from Open Text.

RedDot was founded in 1991 and its experience shows particularly in its ease of use, intuitive user interface, flexibility and positive customer response, all factors that have contributed significantly to its Positive rating. Now at version 7.5, RedDot's core WCM capability supports .NET for creation and delivery of Web content, Web page design and .NET applications. RedDot also leverages the strength of Java EE through its highly scalable delivery environment for dynamic, personalized Web sites and intranet solutions. Recent enhancements include Web 2.0 features, including fully-integrated support for blogs, wikis, ratings, forums and tagging; and integration with SharePoint. It is also a robust enterprise-class product that now integrates well with other Open Text products as well as third-party components. In particular it boasts, through its close partnerships with Microsoft and SAP, complementary offerings that form the basis of strong business solutions for its now more than 2,600-strong customer base. Its Positive rating also arises from its compelling DAM offering (Artesia) which, combined with RedDot, provides the opportunity for a richer end-user experience.

Open Text runs the risk of still emphasizing the high technical quality of its components and not moving enough toward linking its offering to the business challenges that can be solved with WCM. With its newly released graphical analysis functionality, however, it is in a very good position to improve on this.

Rating: Positive

Oracle

The purchase of Stellent, which had been in the market since 2000, provided Oracle with excellent WCM capabilities. Oracle has also invested wisely to integrate the acquired capability into its Oracle Fusion Middleware strategy, now at the version designated 10g with tighter integrations planned for the 11g release. This is now known as Oracle Universal Content Management (UCM). Based on Java, UCM is a compelling offering that provides scalability, robustness and enterprise capability. Pricing uses a CPU-based license model or can be calculated on a per-user base. Although the offering can be scaled down for WCM solutions with modest beginnings, it will be primarily those WCM solutions with a strategic significance for the prospect's organization that will warrant the apparently high "upfront" costs. For larger deployments, the price equalizes and becomes more competitive and in line with the market.

Oracle's primary strength and differentiation lies in its ability to integrate well with its own suite of business applications through its Application Integration Architecture (AIA). In addition, its adoption of service-oriented architecture (SOA) promotes integration with third-party components through a standardized interface. Oracle has built on the ease of use that helped drive the original success of Stellent. This extends beyond content authoring to template development, workflow design and multisite management. Oracle includes other ECM components in addition to WCM in its UCM suite, and its WebCenter user interaction platform is also used for Web applications other than core WCM. But Oracle runs the risk of missing out on the specialist, industry-specific, vertical applications of WCM solutions by emphasizing the horizontal nature of its overall suite and potential integrations into business applications such as CRM, HR management and ERP. Oracle will need to update its marketing message and product emphasis to ensure the links between its offering and the expected business-specific advantages are more clearly highlighted. However, Oracle is still worthy of shortlisting together with the leading best-of-breed equivalents, and will be particularly attractive to those prospects who already have a high level of investment in their business applications.

Rating: Positive

Percussion

Rhythmyx has been on the market for 14 years and is currently on version 6.5. Based on Java EE, this product can be found in smaller, midmarket deployments as well as some larger enterprise-class accounts. Percussion has revamped its messaging away from developer-oriented WCM and closer to marketing management as both a buyer as well as a technology-enabled user. By developing a number of packaged analytics, social Web, mobility, intranet and kiosk-based solutions, Percussion has begun the transition toward more dynamic and contextually considerate platform for users and those who wish to understand the value of constituent interactions with content. While not unusual as a strategic direction — several of its competitors are similarly focused — Percussion's integration capability and incremental approach to add-on functionality make likely its continued presence and relevance to marketing department buyers.

Of particular interest to buyers, Rhythmyx can integrate content easily given its Dynamic Query Support via JSR 170. From a template, designers can query and format lists "on the fly" using common content sources like RSS feeds. Rhythmyx also provides a fairly comprehensive Web services development kit (WSDK) that includes — among other elements — sample .NET and Java applications that use Web services for common developer tasks. Versions past 6.0 also feature a more robust forms development package.

However, a number of recent product enhancements are more developer-oriented and less simple than marketing messages might imply. Percussion is clearly aware of market trends and

has begun to respond appropriately to shifting buying centers and priorities. The recent introduction of its "Percussion 2.0" series, with its greater focus on solutions, could yield a resonance in the market. However, it is too early to assess the likely penetration and success of this measure.

Rating: Promising

SDL Tridion

Tridion's WCM product was available from 1998 before the company was bought by SDL in 2007. Currently released as R5.3, the offering's content management environment is based on .NET, while its content delivery environment is available in both Java EE and .NET, offering good integration and compatibility features with Java EE components of an overall solution architecture. While the SDL Tridion division is fully focused on WCM, SDL's primary focus has been languages, translations and providing a system around related tasks and workflows. The combination of these capabilities with those of WCM is very compelling, especially for Web sites that need to target multiple cultures in multiple regions. SDL Tridion R5 is very strong in all aspects of WCM. The offering is robust, scalable and enterprise-class. SDL Tridion's BluePrinting capabilities provide a sound basis for establishing the design of larger WCM solutions and are particularly useful and relevant for organizations wishing to manage their multiple Web sites more effectively and ensure an optimized reuse of content and objects across the sites. The inclusion of marketing analytics, campaign management and strong personalization lends a strong business focus to the offering.

Compared with some more familiar enterprise-class vendors in North America, SDL Tridion is still relatively small, with revenue of \$42 million in 2007. But this represented year-on-year growth of 57% and triple-digit growth in the U.S. during the same period suggests a strong rate of continued growth is highly likely. The company is also gaining some traction in Japan and Australia. The rating reflects the quality of the offering together with the positive feedback from SDL Tridion's customer base. SDL Tridion is already a regional leader in Europe, and Gartner now sees the company being shortlisted and selected in North America much more often than a year ago, suggesting that the growth strategy is working. Greater emphasis on converting its powerful array of technologies into coherent, well-baked solutions will help SDL Tridion with this growth.

Rating: Positive

Sitecore

Sitecore was founded in 1999 and its flagship CMS product is currently in its sixth major release. Based in Denmark, Sitecore has seen significant growth over the past two years and in 2007 exceeded the \$10 million milestone in total revenue, allowing it to be included in the Gartner MarketScope. It has a .NET-based solution and is a Microsoft Gold Certified Partner, and its success is due in part to its close alignment with Microsoft technologies. Its growing popularity is derived from two primary scenarios, either as a stand-alone best-of-breed solution or coupled with SharePoint through smooth integration and consistency of content access across the two repositories. Sitecore's differentiating features are its innovative approach to multisite management and its ease of use. XAML is used as the basis of the interface, which allows a look and feel very similar to Windows XP, despite being entirely Web based. A strong feature of CMS is its fresh, modular architecture and the ease with which new Web sites can be deployed very quickly. Sitecore also delivers an intranet framework out of the box, solidifying its strength and strategy to provide solutions in all Web domains.

Sitecore has a sound financial track record, maintaining profitability while growing 100% year-on-year in 2007. It offers an extensive training and certification program and this has in part enabled a growing ecosystem of solutions and development emerging around the core CMS product. The

company's accelerated growth is supported by its 100% partner channel strategy both for sales and deployment, which now includes over 300 Sitecore-certified partners worldwide.

Rating: Positive

Vignette

Vignette's significant influence on the WCM market stems back to the late 1990s. Now at version 7.5 and based on Java EE, Vignette has a full suite of well-integrated products that can meet the requirements of the most demanding Web sites and strategies. Some Vignette clients have struggled with the required upgrade from V6 to V7.x. This, coupled with the maturity of the market, has led some to consider product replacement. Vignette's market share has fallen during the last few years partly due to this. While key competitors have grown, Vignette has experienced a drop in total revenue of 4.7% during the last 12 months. However, the product remains a robust, scalable, enterprise-class offering and the company is a fast follower in the field of providing a richer experience for Web site users. Added to the Vignette Content Management (VCM) suite are new releases in media management and portals, as well as a focus on analytics through a partnership with Omniture. Scale, availability, Java/Oracle architecture and improved user interface are all in Vignette's favor. But the holding pattern of the past couple of years is still being accounted for.

The biggest product improvements introduced in version 7.5 include community services and applications, search engine optimization, and a skip-level upgrade program devised in response to past problems. Vignette is planning further improvements, including API simplification, VCM user interface improvements, forms design and management, and better previewing. Vignette has traditionally been more of a developers' platform, and the upgrade complexities often were a consequence of such isolated development. Had Vignette focused product R&D and innovation by engaging client developers and reviewing workarounds and enhancements, its problems would have been fewer. Moreover, best practices and benchmarks would also have resulted. Perhaps even a focus on solutions development by vertical markets would have more fully emerged.

Vignette has effectively reset its products, management, personality and strategy to better compete in key markets. Consistent concerns expressed by clients in 2007 and early 2008 related to its complexity, cost to deploy, limited availability of trained resources, degree of difficulty in multisite deployment and management, investment in new product development, and financial stability have been addressed, but the early returns are still mixed. The company had a strong close to 2007 but a weak start in 2008. Vignette's challenge is to define how great Web experiences translate to money for net-new business buyers, and to reduce its reliance on maintenance and services income from existing installs. Questions remain as to whether Vignette has the reach, resources and relationships to sustain the momentum that its management claims recent changes have yielded.

2008 has to be a year of focus and execution, given that market transitions and pressures make the remaining runway for Vignette's promised takeoff short. Yet, all factors favor a resurgence in comprehensive WCM, and the top end of the market needs healthy competition to expand. These factors, coupled with the high overall product quality of VCM and strong marketing execution, has given rise to Vignette's Positive rating.

Rating: Positive

RECOMMENDED READING

"Magic Quadrants and MarketScopes: How Gartner Evaluates Vendors Within a Market"

"Tactical Guidelines for Getting Web Content Management Right This Time Around"

"How To Build Your Road Map for Web Content Management"

"Introduction to the Gartner Maturity Model for Web Content Management"

"Market Trends: Enterprise Content Management, Worldwide, 2007-2012"

"Market Trends: Enterprise Content Management, EMEA, 2007-2012"

"Web Content Management and Portals: Collusion Not Collision"

Vendors Added or Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or MarketScope may change over time. A vendor appearing in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. This may be a reflection of a change in the market and, therefore, changed evaluation criteria, or a change of focus by a vendor.

Gartner MarketScope Defined

Gartner's MarketScope provides specific guidance for users who are deploying, or have deployed, products or services. A Gartner MarketScope rating does not imply that the vendor meets all, few or none of the evaluation criteria. The Gartner MarketScope evaluation is based on a weighted evaluation of a vendor's products in comparison with the evaluation criteria. Consider Gartner's criteria as they apply to your specific requirements. Contact Gartner to discuss how this evaluation may affect your specific needs.

In the below table, the various ratings are defined:

MarketScope Rating Framework

Strong Positive

Is viewed as a provider of strategic products, services or solutions:

- *Customers:* Continue with planned investments.
- *Potential customers:* Consider this vendor a strong choice for strategic investments.

Positive

Demonstrates strength in specific areas, but execution in one or more areas may still be developing or inconsistent with other areas of performance:

- *Customers:* Continue planned investments.
- *Potential customers:* Consider this vendor a viable choice for strategic or tactical investments, while planning for known limitations.

Promising

Shows potential in specific areas; however, execution is inconsistent:

- *Customers:* Consider the short- and long-term impact of possible changes in status.

- *Potential customers:* Plan for and be aware of issues and opportunities related to the evolution and maturity of this vendor.

Caution

Faces challenges in one or more areas.

- *Customers:* Understand challenges in relevant areas, and develop contingency plans based on risk tolerance and possible business impact.
- *Potential customers:* Account for the vendor's challenges as part of due diligence.

Strong Negative

Has difficulty responding to problems in multiple areas.

- *Customers:* Execute risk mitigation plans and contingency options.
- *Potential customers:* Consider this vendor only for tactical investment with short-term, rapid payback.

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