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Compass Guide to WCM, Q2 2011
Evaluation of GX Software

By: Tony White

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GX WebManager 9.14, BlueConic Product Evaluation

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ARS LOGICA POSITION

GX Software's WebManager and BlueConic products lead the industry in many of the functional areas of WCM and customer engagement. For the business user, the platform offers excellent ease-of-use, superb online marketing and sales tools, and enterprise-grade multi-site/multi-channel/multi-lingual capabilities; for the technologist, it represents a scalable, flexible, and easily-administered CMS with robust development tools. In our view, the only real product/vendor liability is limited market/mind-share. From a feature-functional perspective, GX Software is an industry leader, even if its name is not recognized by many.

NOTES & RESOURCES

Compass Guide Vendor Questionnaire
Some company and product information contained in this report was collected via Ars Logica's 172-item Vendor Questionnaire. Vendor responses were always independently verified through customer interviews, implementation monitoring, Ars Logica's comprehensive knowledge base, and hands-on product testing.

Hands-On Product Testing
Ars Logica conducted hands-on product testing in February 2011 at GX Software's headquarters in The Netherlands.

Customer Interviews
Ars Logica interviewed users of every product covered in the Compass Guide, including GX Software.

Implementation Monitoring
Since the 1990s, Ars Logica founder Tony White has kept close tabs on ongoing WCM implementations. Some of this knowledge is represented in the Compass Guide reports.

No Vendor Influence
Ars Logica retains complete editorial control over the Compass Guides and receives no funding in their production.

GX Software Vendor Overview

GX Software is a mid-size Dutch CMS vendor offering a highly-refined WCM platform currently in its ninth major release. GX recently released BlueConic, a CMS-independent "customer engagement" application (see explanation in paragraph below), which Ars Logica believes will enable the next generation of online marketing use cases. Until 2006-2007, the platform was championed primarily by IT departments, but by overhauling the UI and demonstrating an extreme commitment to supporting the business requirements of marketing personnel, the vendor now boasts high user adoption rates among marketing managers. Until recently, the vendor sold only to European markets, but in 2008, GX Software launched its U.S. presence, and we believe that it stands to gain significant market share in North America with its Web-Manager and BlueConic offerings.

Our description of BlueConic as a "customer engagement" application implies a heavy component of online behavioral analytics. We chose to use "customer engagement" instead of "behavioral analytics" because of the added *actionable* aspect of the product that allows marketers to *do* something with user data collected across channels that "behavioral analytics" does not contain. Essentially, what BlueConic does is to give marketers an understanding of customers' individual needs by continuously monitoring customer activity (and combining it with existing profiles) across channels (websites, social media, and mobile). With this perspective, marketers can deliver content contextually (at a particular place and/or time, on a specific device, for example).

Company Profile

Year Founded: 1998
Headquarters: Nijmegen, The Netherlands; U.S.
        Headquarters: Redwood City, CA
Employees (or FTE equivalents): 150
Geographies: Europe, North America
Revenue: $20 million (estimated)
Product Types Offered: WCM, Analytics
Commercial or Open Source: Commercial
Strategic Implementation Partners: Cap Gemini,
        Gertronics, Lostboys Icon, Sogeti
Top Competitors: SDL, Day Software (Adobe),
        Vignette (Open Text), Sitecore, EPiServer
Key Vertical Industries: Financial Services, High
        Tech, Media & Entertainment,
        Publishing, Manufacturing

Product Profile

Product Names: GX WebManager, BlueConic
Version: 9.14
Next version release date: Q3 2011
Market segment: Enterprise
Average Sales Price (License Only): $100,000
Technology Platform: Java
Key Strengths: Ease-of-use, excellent online
        sales & marketing tools, platform
        flexibility, robust SDK, strong multi-
        channel/multi-lingual capabilities
Key Limitations: Limited market/mind-share
Highest-Value Use Case: Large enterprise
        seeking a Java-based WCM platform
        with cutting-edge analytics capabilities

Vendor History & Product Evolution

Founded in 1998 in The Netherlands, GX Software, for the first two years of its existence, primarily developed a series of highly technical point solutions for Web developers, which eventually reached critical mass as the first version of WebManager. This early focus on technical buyers as customer targets partly explains the strength of the company's developer network in the Benelux region. In 2005-2006, GX Software recognized that future growth depended on unifying its myriad point solutions into a coherent whole. As a result, the vendor added business-oriented feature-functionality and developed UI's that would appeal to non-technical users. Executing this project took the better part of 2006-2007, at which point GX WebManager was ready for mainstream use outside of the technical community, including LOB managers. The product thus reached functional maturity at a time when some were beginning to ask whether WCM was becoming a commodity. Ars Logica still does not believe that WCM is a commodity because, even though some 60-70 percent of its core features are available in most viable CMS products, the remaining 30-40 percent vary widely among vendors and provide a tremendous amount of business value to customers. In GX Software's case, the vendor only recently (December 2010) enabled its highest-value use cases, when it released BlueConic, a cross-application customer engagement product. While perhaps a little late in delivering such value above and beyond WCM, GX Software has done so in a dramatic way with BlueConic's cutting-edge analytics capabilities, which can be well-integrated with WebManager, but which can also be used as a completely GX-independent enterprise application. As it currently stands, GX Software's solution stack is one of the industry's richest in terms of overall feature-functionality -- and with no serious technical drawbacks.

While minor improvements to GX WebManager will continue through the 9.x versions, the product is functionally mature. Ongoing improvements will focus equally on WebManager and BlueConic, as each product plays a critical role in the vendor's strategic future. Though the market for this type of synergistic product combination is just emerging, Ars Logica sees significant pent-up demand for a unified view of consumer behavior across channels, and we believe that the overlap between WCM, e-commerce, analytics, and multi-channel marketing will be one of the hottest spots in the software market. GX Software is off to an early and auspicious start.

Key Recent Developments

While most of the technical development at GX Software has been focused on BlueConic, this application's direct relevance to WCM and its overlap with online sales have forced further evolution of the WebManager forms module. In Version 9.14, back-end support for interactive forms has been strengthened through a dramatically expanded set of APIs designed to provide full OLAP support (from BlueConic) to content in the WebManager repository. The importance of this enhancement should not be overlooked, as it provides a crucial link between analytics-dependent e-commerce intiatives and the CMS.

Profiling the Ideal Buyer

The ideal buyer of the GX WebManager/BlueConic product set is a large company with: (1) enterprise-wide deployment plans, (2) WCM requirements on the complex end of the spectrum, and (3) a need to understand consumer behavior for the purpose of improving online conversion rates across a large number of channels. There are other prospective buyers who should consider GX Software, such as the mid-sized company looking for a stand-alone CMS solution or the large enterprise with a satisfactory CMS, but with needs for separate, multi-application, customer-engagement capabilities. As mentioned in other parts of this report, GX Software is a Java-based platform. So those considering WebManager/BlueConic would ideally be committed to J2EE-based technologies.

Although WCM and analytics applications are horizonal by nature (i.e. they are used by companies in all industries), GX Software's installed based in financial services, media & entertainment, and manufacturing is particularly strong. Prospective customers in these industries will benefit from the vendor's relevant implementation expertise.

- **Large Enterprises Looking to Understand Consumer Behavior Across Applications/Channels**
  GX Software's customer-engagement technology sets it apart from most other CMS vendors and make the platform a good fit for enterprises with demanding online conversion requirements.

- **Marketing Organizations Supporting E-Commerce Initiatives that Require Advanced Analytics**
  The synergies between WebManager and BlueConic make the combination useful to online marketers whose livelihood depends on the ability to personalize the online buyer's user experience.

- **Prospective CMS Buyers with Complex Application Integration Challenges**
  The platform's clean, SOA-based architecture and rich API set facilitate straightforward application integration in complex IT environments.

GX WebManager Will Not Be a Good Fit, If...

GX Software's products will not be a good fit for small organizations with basic WCM requirements and no need to understand customer behavior across multiple channels. GX WebManager/BlueConic is an enterprise-tier solution. Although it can be used in simpler implementations, we recommend doing so only if plans over the next 2-3 years include rapid evolution of the need for online analytics, e-commerce, and personalization. GX Software will also not be a good fit for .NET or PHP-centric IT organizations.

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Key Product Strengths

GX Software produces a platform with strengths in all of the major functional areas of WCM and online analytics. They start at the front-end user interface, where its superb product usability is among the best of any product we've tested. Business users with no technical expertise commonly report that the design of GX WebManager (arrangement of menus, layout of the user interface, and simplicity of completing tasks, e.g.) is intuitive and easily absorbed. Perhaps more interestingly, marketing personnel report that GX Software's cross-application analytics allow them to generate and use customer data in ways that quickly increase their online conversion rates ("conversion rate" here meaning causing the website visitor to engage in a desired behavior such as purchasing a product or clicking an advertisement). High scores in the ease-of-use category alone would not be terribly surprising, but they become so when you consider that WebManager, a rather sophisticated application, is simpler to use than some entry-level products.

In BlueConic, GX Software has introduced a fundamentally new product type. On this subject, we recommend considering GX WebManager and BlueConic not only as a single WCM-analytics solution, but also as stand-alone products. On the level of platform architecture, GX Software's strict SOA approach has resulted in a very modular technology stack where product modules can be swapped easily or even inserted into other vendors' solutions. (SOA is an architectural approach in which each product component is self-contained and interoperable with all other components. Solutions based on this principle offer the highest degree of platform flexibility.)

FIGURE 1   GX WebManager 9.14 and BlueConic, Key Product Strengths and Limitations

Below are several key product strengths and limitations that potential buyers should keep in mind when assembling vendor shortlists.

KEY STRENGTHS	KEY LIMITATIONS
Superb product usability	Limited presence in North America
Industry-leading online marketing & sales capabilities (BlueConic)	Market's unawareness of combined WebManager/BlueConic value proposition
Strict SOA-style architecture and resulting excellent platform flexibility	Need for substantial investment in marketing for vendor to achieve the next level of sales success
Robust SDK for developers	
Strong multi-channel, multi-lingual functionality	

Source: Ars Logica, Inc.

Source of Information: Product testing (February 2011), product updates, customer interviews, Vendor Questionnaire

GX WebManager's SDK presents Java developers a wealth of resources with which to develop applications for unique business and technological requirements. On the spectrum of simple/configurable to complex/customizable, we rank GX Software very far toward the latter end of the scale. While this may result in longer implementation times than with simpler products, the ability to create a one-of-a-kind solutions is the corresponding benefit.

One final strength worthy of attenion is GX WebManager's very strong multi-channel and multi-lingual functionality. Of the products we've tested, WebManager is second overall in the Multi-Channel/Multi-Lingual/Multi-Site category. In the multi-channel component alone, however, GX Software leads the procession.

Key Product Limitations

While there are a few feature-functional areas where GX's platform ranks second or third among the vendors we've evaluated, there are -- to be frank -- no serious technical limitations in the product. Perhaps the most serious drawback of the overall GX Software solution is the vendor's limited market presence in North America. While we have not heard any specific complaints about the level of customer support, customer service response times, or language barriers among technical support staff, etc., these are the types of problems we've encountered with other European vendors (including Dutch ones) just launching in the U.S. But as just stated, we know of no current issues in any of these areas. On the contrary, in our interviews of GX customers, we have found a very high level of satisfaction with GX's customer support.

Another limitation for GX Software in the current market is that the full value proposition (the synergies, to be precise) of best-of-breed WCM, combined with best-of-breed analytics, is often not well understood by potential customers. Of course buyers understand the *basic* value of online behavioral data (users' preferences, purchasing history, etc.), but the actual number of enterprise-wide WCM implementations that assimilate user behavior across channels and expose it to cutting-edge analytics applications is fairly limited. Ars Logica has only seen such use cases implemented at the high end of the market ($1.5+ million in software licenses), and GX Software has historically had a difficult time drawing attention to itself and its products at the upper end of the market. We believe the WebManager/BlueConic combination is one of the first two examples of a WCM-analytics platform that offers the possibility of this type of implementation at a much lower price point. We therefore remain *cautiously* optimistic about the success of GX Software's marketing strategy over the next 12-18 months.

Vendor/Product Report Cards

The features, functions, and technical underpinnings of WCM products vary wildly, as do the customer requirements they are intended to satisfy. For this reason, the only reliable way to assure the best product fit for a particular client is to spend anywhere from several weeks to several months assessing the client's specific needs and analyzing product capabilities line by line. Still, Ars Logica is frequently asked to rate products in categories such as those in Figures 2 and 3. In using these ratings, please take care not to compare products in different market segments (see the Product Profile section of Page 4). For example, a Scalability score of 9 for an "Enterprise" product does not equate to the same score for an "Entry Level" product.

**FIGURE 2** GX Software Report Card for the Business User

Figure 2 shows Ars Logica's rating of GX WebManager 9.14 and BlueConic in four categories of critical importance to business users. Refer to Page 11 for an explanation of the evaluation criteria.
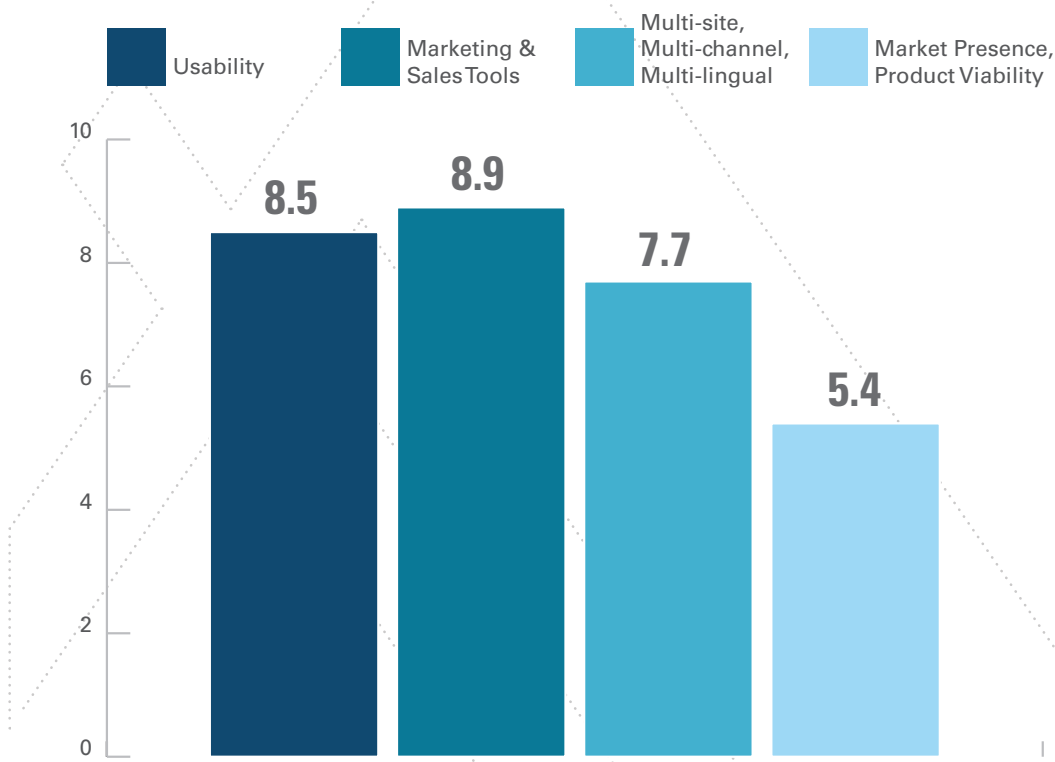
Source of Information: Product testing (February 2011), product updates, customer interviews, Vendor Questionnaire

FIGURE 3   GX Software Report Card for Technologists

Figure 3 shows Ars Logica's rating of GX WebManager 9.14 and BlueConic in four categories of critical importance to technologists. Refer to Page 12 for an explanation of the evaluation criteria.
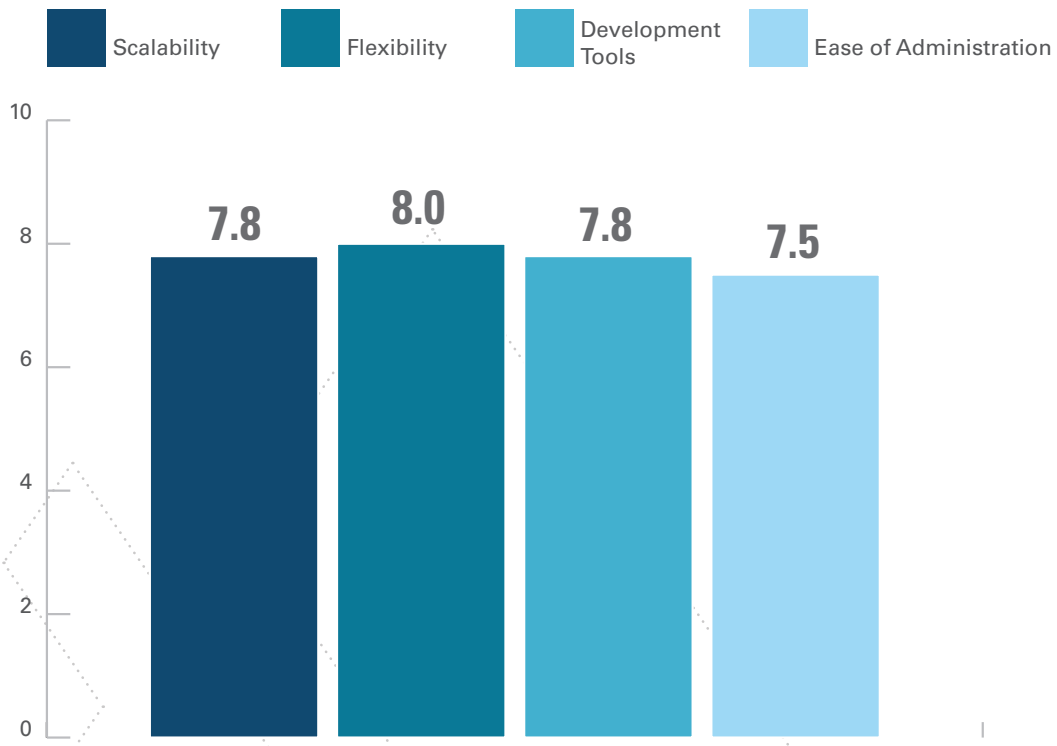
Source of Information: Product testing (February 2011), product updates, customer interviews, Vendor Questionnaire

Report Card Evaluation Criteria

In the process of analyzing WCM solutions, Ars Logica has established a set of evaluation criteria, which at the highest level can be separated into four categories for non-technical business users and four categories for technologists. Scores in these categories represent averages of a large number of detailed criteria, and are meant to be used as a means of quickly comparing products within the same market segment -- not as a substitute for painstaking requirements and product matching.

Criteria for Business Users

- **Usability**
  Usability refers to the relative ease of learning and using a WCM application. For non-technical business users, factors contributing to high scores in this category include intuitive and consistent user interfaces, streamlined task completion (i.e. minimal number of steps to complete a task), integration with the desktop, contextual editing capabilities, and documented high user adoption rates among a vendor's customers.

- **Marketing & Sales Tools**
  Increasingly, enterprises are relying on marketing and sales tools within WCM applications to improve sales conversion rates, increase average transaction amounts, draw customers back to their Web sites, analyze online behavioral patterns, and so on. This category rates the presence and quality of such tools.

- **Multi-Site, Multi-Channel, Multi-Lingual Capabilities**
  This category assesses a product's ability to support multiple sites; deliver content to multiple channels on multiple devices; and create, store, present, disseminate, and/or translate content into multiple languages. Scores in this category represent an average of a product's capabilities in all three of these broad functional areas.

- **Market Presence, Product Viability**
  The Market Presence, Product Viability category rates both a vendor's overall market presence relative to competitors and its dedication to the continued development of its WCM products. If these two factors are not aligned with each other, an explanation of why will be included.

Criteria for Technologists

- **Scalability**

  Scalability refers to the ability of a product to function well as system demands increase. Factors contributing to scalability are database size, query efficiency, bandwidth consumption, ease of system management, caching efficiency, load balancing, and mass content deployment capabilities.

- **Flexibility**

  Flexibility denotes a product's ability to integrate easily with existing enterprise infrastructure, including operating systems, Web servers, databases, directories, development tools, and other enterprise applications such as ERP, CRM, document management systems, search, portals, and so forth.

- **Development Tools**

  This category describes the quality of a product's integrated development environment (IDE), the technologies that the IDE incorporates, and overall ease of customized application development. Although this category refers primarily to development frameworks (Eclipse, e.g.), other ad hoc tools are also included, such as page templates, HTML/XML editors, WYSIWYG editors, PDF generators, and any other software that enables or eases the production, formatting and dissemination of content.

- **Ease of Administration**

  Some WCM products require significantly more work to administer (sometimes 5-10 times more) than others. This category rates the relative resource intensity required to keep the system running smoothly, where higher scores reflect less work. Roughly speaking, higher scores also indicate better coordination of application components due to more methodical system design.

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Advisory Services

Ars Logica is a vendor-neutral analyst firm helping companies evaluate their WCM requirements and select appropriate WCM software. To address clients' content management-related questions and problems that arise throughout the year, Ars Logica offers unlimited direct analyst access through its Analyst Anytime advisory services. These annual, subscription-based services provide guidance by phone or email within 24 hours on a wide range of issues. The number of inquiries submitted throughout the year is not limited.

Software and Technology Selection

In our Software and Technology Selection engagements, Ars Logica maps clients' functional, technological, and strategic requirements to potential WCM solutions and identifies the software vendors whose products best satisfy these requirements. We maintain a continuously updated comprehensive matrix of the feature-functionality of most WCM vendors' products and solutions. We also receive frequent briefings from these vendors and have in-depth conversations and consulting engagements with their customers, ensuring that we always understand the actual state of vendors' offerings as well as their forward-looking strategic directions.

Custom Engagements

Ars Logica's expertise in WCM and related technologies such as digital asset management, records management, marketing campaign management, search, and portals, gives us the open-ended ability to help clients on a wide range of projects, including: building the internal business cases, assessing technology requirements, analyzing software products and vendors, selecting and assembling software solutions, crafting Web strategies, and running corporate educational seminars. We also assist vendors in developing strategic roadmaps, and we and present our view of the WCM market at industry conferences and end-user events.