

COMPUTERWORLD

BY MARK HALL
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The Buzz: State of the Market

One Size Fits All?

The data warehousing and data mining applications market, which Framingham, Mass.-based IDC lumps together with data management tools and information access software, grew 26% last year to \$5.3 billion.

Traditionally pricey tools used by major consumer-oriented companies, data warehousing tools for Web-based data are now available through digiMine as a relatively low-cost service.

As an application service provider, digiMine doesn't have any direct competitors yet. But the company faces cultural hurdles within corporate IT, along with competition from established and new players.

Perhaps the biggest obstacle facing the start-up is what Wayne Eckerson, director of education research at The Data Warehousing Institute, calls IT's corporate cultural reluctance to hand over customer data to outsiders.

There's also the ongoing problem of privacy. Many people feel Web-based businesses are getting to know too much about the behavior of site visitors.

The Web Log Crunchers

DigiMine is facing off against firms that offer tools to crunch Web log files.

For example, Net Perceptions Inc. in Edina, Minn., has its E-Commerce Analyst and Personalization Manager product, which can also analyze data from other sources, such as point-of-sale operations, and feed results in real time to call center operations to help with cross-selling programs.

But Net Perceptions' products can cost as much as \$200,000, and they require a Unix server and staff to run the in-house software.

The Traditional Players

Established data warehouse software vendors, such as France-based Business Objects SA, Ottawa-based Cognos Inc. and Denville, N.J.-based Micro Strategies Inc., have extensive front-end and back-end application portfolios that run on high-end systems, are expensive and require ongoing support.

But these vendors' data mining tools can evaluate more than Web traffic data, which is digiMine's initial focus. They have a rich set of query, data visualization and reporting tools that can answer just about any question a market researcher can apply to the data.

In the long run, these companies could pose the biggest



Digimine offers an alternative to running your own data warehouse, say Bassel Ojje (left), Usama Fayyad and Nick Besbeas.

digiMine Inc.

Location: 10500 NE 8th Street, 13th Floor, Bellevue, Wash. 98004

Telephone: (425) 216-1700

Web: www.digimine.com

The technology: Data warehousing, data mining and business intelligence services for Web-based data

Why it's worth watching: Its pay-as-you-go service makes data mining and analysis more practical and affordable. It offers useful analytic tools to apply to Web data.

Company officers:

- Usama Fayyad, CEO, president and co-founder;
- Bassel Ojje, chief operating officer and co-founder;
- Nick Besbeas, executive vice president of sales and marketing and co-founder

Milestones:

March 2000: DigiMine incorporated
October 2000: Services launched

Employees: 120

Profitability date: 2002 (projected)

Burn Money: \$25 million from Internet Capital Group, Mayfield Fund and others.



threat to digiMine - if they ever decide to move to a pay-as-you-go service provider model.

Products/pricing: DigiMine's analytic services start at \$10,000 per month; campaign response analytics start at \$2,500 per month.

Customers: Nordstrom Inc., AtomShockwave Corp., Etrieve, Dialpad Communications and others

Partners: EMC Corp., Exodus Communications Inc. and Microsoft Corp.

Red flags for IT:

Is your organization comfortable handing over proprietary customer data to a third party? DigiMine doesn't currently integrate non-Web data into its data warehouse analytics services.

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