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DigiMine Delivers Web Site Analytics to Microsoft bCentral

By Mike Koller

The Microsoft bCentral small-business portal is turning to DigiMine Inc., a provider of hosted Web site analytics services, to get a better handle on customer behavior at its 14 online services, DigiMine said last week.

BCentral offers services ranging from building and promoting Web sites to online sales force automation, human resources and accounting apps. Some of its services are free, but Microsoft views DigiMine as a vehicle to extract revenue from customers.

"It's important for us to know how many of those who use our free services upgrade to pay services," said Erin Hiraoka, director of marketing for bCentral. "We want to know the characteristics of the population that does that so we can understand how to migrate our base from free services to pay services."

DigiMine, which has built a Microsoft SQL Server 2000 data warehouse for bCentral, runs analytics on Web activity reports as they are submitted by bCentral. DigiMine then delivers business intelligence reports to Microsoft over the Web, said Bassel Ojeh, COO of DigiMine.

The reports will give bCentral's marketing managers, for example, insight into how bCentral's customers are interacting with the various available services and how those services are being used together.

"They want to know what services to add features into or to promote those services, and to retain customers through up-selling or cross-selling," Ojeh said.

By building and managing a data warehouse for customers, DigiMine frees them from having to invest up front in infrastructure, integration and staffing.

"Most companies today are struggling to build the data warehouse, yet the real value is not in building the infrastructure, but in the analysis of the data within it," Ojeh said.

Microsoft officials agreed. "We can focus on the core operations so that we can get faster time to deployment, whereas if we had to pull our team off other projects, they'd be delayed and it would probably take longer to get the solution up," Hiraoka said.

DigiMine, which was founded in March 2000, said it was built from the ground up to serve customers as an application service provider (ASP), in contrast to other firms that have tried to offer their packaged software on a hosted basis.

Starting prices for its service are \$10,000 monthly, after setup fees.

The DigiMine model has not caught on broadly yet, said AMR Research analyst Peter Urban.

"The whole ASP model with business intelligence is not mainstream yet," Urban said. "If anyone can do it, it will be DigiMine with Microsoft because they could legitimize the market."

Others that have tried to do so have achieved mixed results.

OutlookSoft Corp., for example, started out using the ASP model for analytical software but did not generate a lot of customer demand, Urban said. OutlookSoft now installs the software at company sites.

There's one important difference, however: OutlookSoft analyzes mission-critical information, such as financial data, so customers were reluctant to send the data over the Internet or have OutlookSoft hold the data on its servers.