

## **eZ Systems chooses personalization engine, as open source moves into 'Web experience'**

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**EZ Systems** recently acquired the **Deutsche Telekom** spinoff **YOUCHOOSE**, which has a SaaS recommendations engine. EZ is making a basic version of this available to all of its Enterprise subscription customers, and there is also an advanced version available for an additional fee. The **YOUCHOOSE** technology can be used by retail shops as well as media companies (eZ's main vertical) to drive more traffic to related content. This could up the competitive ante with eZ's closed source competitors that are focusing on Web experience management (WEM).

### **The 451 take**

Recommendations and other forms of personalization have become fairly standard for WCM players, as customers look to these vendors for more than straightforward content management capabilities. Many vendors can offer some kind of ability to target content, though those with more automated behavioral and/or contextual capabilities have mostly gotten there through acquisitions. Having this sort of thing in its portfolio has the potential to make eZ more competitive with closed source providers. It could also help eZ convert open source users to Enterprise subscriptions, something the company has been much more focused on in recent months. We also see this as the likely start of more movement into the broader area of WEM by players with ties to open source.

EZ announced recently that it had acquired **YOUCHOOSE**, a startup based in Cologne, Germany, which was spun off of the R&D Labs at Deutsche Telekom in 2009. **YOUCHOOSE** had seed funding from **High-Tech Gründerfonds**, **T-Venture** and Deutsche Telekom. It had signed about 10 large customers for its SaaS recommendations service and had 10 employees.

EZ is interested in **YOUCHOOSE** because it can deliver recommendations from product catalogs and on content sites. EZ has a traditional strength in the media vertical, and so technology that can refer additional content to site visitors is interesting to these customers that want to drive more traffic. **YOUCHOOSE**'s existing customers, though, are mostly online shops, so it can also handle product-based recommendations.

The **YOUCHOOSE** technology utilizes metadata about products or content and user activity (clicks, purchases, etc.) and makes recommendations based on a hybrid of the two. So it could take a basic collaborative filtering scenario (e.g., users who viewed X also viewed Y) and cross-hatch that with individual profile data and tracking to not recommend, for

example, an article that a particular visitor has already viewed. The strength of different factors can vary based on profile maturity, and marketers can create different scenarios or models and reuse them on different pages/parts of a site. The YOUCHOOSE service runs as SaaS on **Amazon** Web Services.

EZ is making a basic version of the collaborative filtering capabilities and some personalization features available to its Enterprise subscription customers. EZ launched an Enterprise version (currently in version 4.5) of its code about a year ago. And in April, it rolled out the eZ Network, which is a collection of network-based services available to subscription customers. YOUCHOOSE will be delivered as part of this network, and there will be an advanced version for an additional fee. This will add A/B testing, and more sophistication around content types and degree of personalization. EZ will also continue to sell YOUCHOOSE as a stand-alone recommendations engine, but the focus will be on its integration with eZ Publish.

## Competition

Most WCM vendors have some kind of personalization or content-targeting capabilities at this point, though in some cases, these are more limited to rules that must be created manually. Those that have more automated recommendation engines have mostly gotten them via acquisitions, as this tends to be a fairly specialized domain. **SDL** had similar goals when it bought **Fredhopper** early in 2010. Fredhopper was a bit more mature as a company, but more specialized specifically in the retail vertical. **Interwoven's** purchase of **Optimost** back in 2007 was also in this vein, although more focused initially on multivariate testing. There are also partnerships, such as the one **Ektron** has with **Baynote**.

EZ is typically in the midmarket, although it has been aiming more at enterprise accounts in the past year. It hopes to position itself against the strong midmarket and enterprise contenders, including **Sitecore**, **Ektron**, **EPiServer** and even **Adobe Systems**. These vendors all have a good deal of technology to help marketers run campaigns and target content. There are also a number of pure recommendations companies still out there, including **Baynote**, **Choicestream** and **MyBuys**. EZ Systems competes with the other players that have ties to open source, as well as with open source projects. It shares a PHP base with popular options like **Drupal**, **Joomla** and **Wordpress**, although it is aiming upmarket from these options. Marketing and commerce haven't been an area of strength for open source options in WCM, but that is starting to change.

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