

TECHNOLOGY AUDIT

Pepperio









Mediasurface




BUTLER GROUP VIEW

ABSTRACT

Pepperio from Mediasurface is a hosted Web Content Management (WCM) solution that has been developed to enable design studios and agencies to develop Internet, Intranet, and Extranet Web sites, for Small to Medium-sized Enterprises (SMEs). These sites are then hosted by Mediasurface. Many SMEs do not have the IT resources required to design, implement, and maintain a Web site. Design agencies also tend to lack the IT resources required to implement solutions. A differentiator for Mediasurface is that organisations are able to create, manage, and dynamically publish their own content without having to put in a request to the agency that designed the Web site. However, at present there is no in-built facility for integrating legacy data. Pepperio has been designed for end-user organisations that typically have between 5 and 200 employees, and design agencies that have between 5 and 75 employees and are already implementing between 5 and 100 end-user Web sites per year. As it runs on a Windows platform, there is a huge potential market for Pepperio.

KEY FINDINGS

- | | |
|--|---|
|  Pepperio provides a hosted WCM service for SME organisations. |  Non-technical users are able to manage the content of the Web site via a Web browser. |
|  Content can be dragged-and-dropped onto templates. |  Content can be dynamically published by business users. |
|  Pages can easily be moved within the Web site by dragging them in the folder-like hierarchy. |  It incorporates a Windows-like recycle bin for deleting Web content and pages. |
|  Pepperio runs in a .NET environment. |  No legacy integration capabilities at present. |

Key:  Product Strength  Product Weakness  Point of Information

LOOK AHEAD

System-wide improvements for in-context editing are planned for Pepperio. There will also be functionality to support e-commerce, which will be released in summer 2007, e-marketing including newsletters and broadcast mailings, and trackable e-commerce both of which will be released towards the end of 2007. Pepperio is also currently going through a re-architecture to provide improved failover, load balancing, and redundancy.

FUNCTIONALITY

Many on-line businesses are small in nature with only a few employees and little technical expertise. It is often difficult for organisations in the Small to Medium-sized Enterprise (SME) market space to compete with larger enterprises when it comes to Web site design, yet the Internet provides an opportunity for smaller companies to compete on a level playing field with larger organisations. A major problem for small companies is the implementation and routine maintenance of a Web Content Management (WCM) system including installing upgrades, performing back-ups, and dealing with hardware installations. Another problem is designing the Web site, which is often outsourced to a design studio.

However, many design studios are also relatively small in nature and face the same problems as the companies they serve with a lack of dedicated IT resource to implement and maintain software solutions. There is therefore a need for solutions that are easy-to-use with little or no maintenance required that allow the design studio or agency to design and develop the Web site and then enable the organisation to maintain it and add and remove content as required. Pepperio from Mediasurface is a hosted solution that has been designed to enable SMEs to manage their own Web sites.

Product Analysis

Pepperio has been developed to allow non-technical users to manage an entire Web site via a Web browser without any need for detailed technical knowledge. It is provided as a hosted product, with all of the resources including hardware, back-ups, installation, upgrades, and maintenance performed as part of the service, and Butler Group regards this to be one of the strengths of the product. As a browser-based solution with a Windows-like interface, it is easy-to-use and requires minimal training as users will already be familiar with the environment. It incorporates Windows-like features such as a recycle bin.

Many of the features of Pepperio have been taken from Mediasurface's Morello WCM software product, and adapted for a hosting model, which makes this a powerful Web site management tool that is suited to design studios that develop Web sites, Intranets, and Extranets for SME companies and smaller or autonomous divisions of larger organisations. The separation of the page content from the presentation templates makes it easy for non-technical users to create and add content to the site. It also allows organisations to maintain brand consistency on every Web page, and if the brand changes, any changes to the templates will be reflected throughout the Web site.

Creating and maintaining very large Web sites is not exclusive to large enterprises and smaller organisations can also have large Web sites to maintain. It is therefore imperative that links are managed effectively as broken links or an inability to find a Web page will drive a potential customer to a competitor. Pepperio supports link management, ensuring that when a Web page is removed from the Web site all links are also removed.

The order of a page on the Web site can be altered by moving it in the hierarchy structure. If pages are deleted they are sent to the recycle bin. Protection is provided against users accidentally deleting a page by providing the ability to restore content from the recycle bin.

Pepperio is accessed via a Web browser with a Windows Explorer-type interface with a hierarchical structure of Web sites and Web pages down the left-hand side and the working area on the right-hand side, which displays whatever has been selected from the hierarchy. Because it uses a Windows environment, which most users are familiar with, the amount of training that is required is reduced.

Linear workflow is included, which allows content to be approved before it is published. Another advantage is the ability of business users to dynamically publish content to the live site, eliminating the requirement for any IT involvement. Publication and retirement dates for Web content can be set and the content automatically published and removed on the due dates.

Pepperio can manage multi-lingual content including different character sets such as Chinese, and the interface can also be used in multiple languages, which is a useful feature for organisations with sites in different locations. Butler Group regards the ability to have multi-lingual sites to be important as potential customers always prefer to see content in their own language. All too often customers are offered a choice of only one or two languages to view content in, and with the Internet offering a cost-effective global market to small companies, it is a wasted opportunity if the content is not available in the language of a potential customer.

Product Operation

Pepperio has a three-tier architecture, which runs on a Microsoft platform using .NET. It incorporates a database layer, an application layer, and a Web server layer. Each layer can be scaled, and there are no limitations to the number of users, pages, and assets that can be handled by the system. Mediasurface provides a hosted environment for running Pepperio, with organisations managing their Pepperio built site via a Web browser.

As a hosted system all maintenance is performed by Mediasurface, and Pepperio is backed up daily. Service Level Agreements with the hosting provider guarantees uptime, and Mediasurface has four upstream providers to ensure availability of the service, and also provides an entire data centre failover service should the need arise.

The product gives business managers control over their Web site content enabling them to simply add content to templates that have already been developed by the design studio. Changes to content are immediately reflected on the Web site, and Web sites can be restructured using a drag-and-drop facility. Pages can be split down into separate components allowing different users to be responsible for each section of the page. This also makes it easy to reuse or re-purpose content. In addition to dragging-and-dropping content onto a Web page, content can also be created in a WYSIWYG editor. Access to the system is via a login and password and support is provided for the use of certificates if extra security measures are required. Permissions can be set at the page level and roles and groups can be defined.

A built-in search engine provides access to stored information and metatags are automatically applied to help external search engines return accurate results. Users can add additional metadata such as the author of a piece of content and details such as how long the piece of content will be live for, its publication and retirement dates, the version number, and when it was last edited. Users can also define whether the content is to be indexed. User friendly URLs can be applied to Web pages to make them easier to locate. This is achieved by enabling users to give a meaningful name to a Web page. Pepperio also offers a number of other out-of-the-box capabilities to help with search engine optimisation, including a new taxonomy browser that works to create a uniform approach to keywords so that each individual Web page is accurately related to the business's selected taxonomy tree.

RSS and XML integration are provided. RSS feeds can be read into the system and content can be output as an RSS feed. There is a digital asset store for Word documents, PDF files, images, and other types of content, and content can be bulk loaded into the Pepperio repository. Thumbnails are available for reviewing and selecting images. A useful feature is the ability to resize images, and a Wizard is provided to help with this task. Industry standard XHTML and CSS2 are used to generate Web pages, and support is provided for JavaScript and flash graphics.

Pepperio has also been designed to be easy and quick for designers to develop templates for, and a full library of standard templates is provided with the product, which can be used out-of-the-box or customised. Templates can also be rapidly developed from scratch. A security model is built in to the product allowing an administrator to define what development work each user or group is able to perform. In addition, Pepperio offers built-in Web analytics to provide details on many aspects of the Web site including how visitors found it and how they interacted with the site.

Product Emphasis

The Internet has provided smaller companies with a level playing field enabling them to compete with large enterprises in their ability to reach a global audience. However, they cannot match the budgets of large companies when it comes to investing in the resources required to design and maintain a Web site. Many of these SMEs have already been through one or two generations of Web site development and are looking for a solution that is easier to use and maintain. This is where a hosted WCM solution has an advantage over a software solution with no hardware or software to maintain.

Pepperio has been designed to service the requirements of both design studios and the organisations that make up their customer-base. This has been achieved by providing extensive functionality to enable designers to create the templates for Web sites, and also the features required by business users to create and populate Web pages, and dynamically publish Web content, ensuring that their Web sites are up-to-date at all times.

DEPLOYMENT

Pepperio is a hosted solution which is delivered on a Microsoft platform. It does not currently include the ability to integrate legacy data, but within the SMB market, Mediasurface does not generally come across requests for legacy integration.

Pepperio is delivered to end-users by one of Mediasurface's design and implementation partners so no skills or technical expertise is required by the end-user organisation. The product has been designed to make it easy for partners to rapidly implement the product. Pepperio template development has been designed for people with average Web page creation skills to use, as it uses the standard Web page formats of XHTML and CSS2. Extensive template development training is provided by Mediasurface, there is an Extranet community, and example code is provided to help developers get started. In addition, JavaScript and Macromedia flash can also be used on pages. The average time for an implementation is between one and two weeks.

Although Pepperio has been designed to address a specific pain point of SMEs, that of Web site creation and management, and as such is not implemented in a modular fashion. However, there are additional modules that address specific requirements, such as e-commerce e-mail marketing. As this additional functionality becomes available, it will be implemented on a modular basis as and when these features are required by a client.

The only resource overhead after implementation is the ongoing content management of the Pepperio-run Web site(s). All other maintenance tasks such as system and data back-ups, software upgrades, and database management are outsourced to Mediasurface.

End-users only require a few hours of training to use Pepperio, as Mediasurface claims that it is highly intuitive and easy-to-use. For a Web developer one day of classroom-based training is required. Mediasurface will introduce Web-based training during 2007.

Ongoing technical support is provided through the implementation partner. Partners have on-line resources for support and can contact Pepperio support during office hours via e-mail and telephone. Pepperio Customer Support desks are located in the UK, US, and Australia, and there is a third-line support team within the Research and Development department in Newbury, UK, and Bangalore, India.

Business processes should not need to change to use Pepperio as it has been designed as a business tool to enable business users within the organisation to manage their own Web sites.

Mediasurface sees the potential risks to the business that may cause the project to fail to be human factors, which are most commonly a lack of clarity as to the requirements, the quality of the content, and migration issues.

The standard Pepperio package comprises 250MB of disk space and a 5GB data transfer, which costs UK£199 per month. Additional disk space and bandwidth can be purchased.

PRODUCT STRATEGY

The profile of a typical end-user customer of Pepperio will be a company with between 5 and 200 staff and will be on its second or third generation Web site. It will therefore have experienced the difficulties of managing and updating traditional static Web sites, and will desire the ability to manage the content of its own Web site itself. It may not have a dedicated in-house IT department and will therefore be looking for a non-technical solution to enable it to manage its own Web site(s). The typical profile of a Pepperio partner is an agency with between 5 and 75 employees, which is already implementing between 5 and 100 end-user Web sites per year. The targeting of end-user organisations is dictated by the focus, geography, and experience of the Web design partners that are promoting Pepperio.

Return On Investment (ROI) is typically measured in months. The product is currently priced at UK£199 per month. According to Mediasurface even minor changes to a static Web site will generally take half-a-day to implement at an average cost of UK£200. Even if there is only one design or content change per month, the ROI for Pepperio is immediate. Less easy to put an actual cost on, but potentially of more importance, is the damage to a company, which is caused by having a poor static Web site, which will undoubtedly drive customers to competitors. In an age of growing on-line trade, the Web site of a company will increasingly be the first impression that a customer gains of that company, and a poorly designed Web site with static and out-of-date content will drive potential customers away. Organisations need to provide a sleek and professional Web site with dynamic up-to-date information that can be personalised for the profile of the user, and this will be a big factor in the ROI of a company deploying Pepperio.

Mediasurface sees its key market opportunity coming from the benefits that it provides SMEs with, such as enabling them to compete in the global economy. It also allows them to focus on their core business by outsourcing the delivery of a fully-functional Web site management system to Mediasurface. In addition, it provides organisations with the benefits of leading-edge Web development functionality at an affordable price, and enables the rapid design and development of Web sites. Finally, it is offered as a low-risk rental solution, within the budget of mid-market management which eliminates the need for complex decision processes for budget authorisation.

Pepperio is sold exclusively through a network of Web design and implementation partners. Mediasurface is actively recruiting new partners in the UK, mainland Europe, the US, and Asia-Pacific. According to the company, it is signing new partners at a rate of more than ten per month. A typical customer might use a design agency to set up and implement the product after which control of the hosted product is passed to the customer.

Implementations and support are provided through a global network of design agents, which include Purestone, LCM, IBS, and Headline. Hosting is provided by Rackspace in the UK, and the product is built on a Microsoft infrastructure. Pepperio competes with in-house developed solutions, and independent Web designer solutions.

The set up fee for Pepperio is UK£150 and there is a monthly fee of UK£199. This means that the annual cost of Pepperio is UK£2,400 per company Web site. Design costs vary but are typically in the range of between UK£1,000 and UK£2,000, and Web site build costs are in the same range. Maintenance and support is included in the licence fee, although resellers may offer additional support options.

Because it uses an ASP business model, there is a rolling roadmap with product releases occurring on average every three months. All upgrades for the standard software are free of charge.

COMPANY PROFILE

Mediasurface is headquartered in Newbury, Berkshire, UK, with offices in Hilversum, The Netherlands, serving the Benelux region, and in Stamford, Connecticut, Irvine, California, and Chicago, Illinois, serving the North American market. It also has a network of distributors and partners supporting its interests in Asia-Pacific, which are supported by a wholly-owned subsidiary headquartered in Sydney, Australia. In addition there is a development and support centre in Bangalore, India. Mediasurface was founded in 1996, by Ben Hayman, with the aim of developing a rules-based content management system. The objective was to create an application that would enable people to apply best practice and business process rules to the complex task of creating and managing Web site infrastructure and content.

The company is publicly owned having floated on AIM in August 2004. There are approximately 120 employees worldwide with 20 in Benelux, 20 in the US, 60 in the UK, 15 in Bangalore, and 5 in Australia. In terms of employee split, approximately 35% are employed in Research and Development, 25% in Sales and Marketing, 25% in Support and Services, and 15% in Administration. In 2002, a new management team took control of Mediasurface and since that time both sales revenue and profitability have shown successive quarters of growth.

Table 1: Financial Details			
	2006	2005	2004
Revenue (UK£ Million)	9.67	6.7	5.4
Change on Previous Year (%)	42	25.8	N/A
Total Net Income/(Loss) (US\$ Million)	0.752	(0.811)	(0.406)
Source: Mediasurface			DATAMONITOR

Customers of Mediasurface's Morello WCM product include Ingersoll Rand (US), where the deployment is organisation-wide, Citigroup, in EMEA which has implemented an Intranet, Oxford University Press, which is a global implementation, Worldwide Wrestling Entertainment, which is again a global deployment, Prudential, which is organisation-wide, Britannia Building Society, which has set up an organisation-wide Intranet, The UK Home Office, which has implemented the solution organisation-wide, and the UK Office of the Deputy Prime Minister. Pepperio customers by the very nature of the product are smaller and include subsidiaries of Philips across Europe, West Brom FC, Eagle Tower, and Bright PR.

SUMMARY

WCM has moved on from its position of a few years ago when it was regarded to be the poor relation of Enterprise Content Management (ECM) solutions. Butler Group regards WCM to be a discipline in its own right, which has made WCM vendors an acquisition target by larger ECM vendors expanding the capabilities of their solutions. Despite this, there are still a reasonably large number of independent vendors left in the marketplace. Many are regional players, although some operate on a more global basis. This means that Mediasurface faces tough competition in all of the geographies that it plays. However, providing WCM as a fully hosted service is a huge differentiator for the company, and one that Butler Group believes will be popular amongst smaller companies.

There are several companies that provide hosting services for Web sites, and there are design agencies that create Web sites for smaller companies, but Butler Group is not aware of any company that provides a WCM product as a hosted service and also hosts the Web site. In our opinion, Pepperio is an ideal solution for any SME company that does not have the resources to develop and maintain a Web site or to maintain the infrastructure, and recommends a closer inspection of the product by any company that falls into that category and requires a Web presence.

Table 2: Contact Details	
<p>UK – Mediasurface Mediasurface House Newbury Business Park London Road Newbury, Berkshire RG14 2QA UK Tel: +44 (0)1635 262000 Fax: +44 (0)1635 262001 www.mediasurface.co.uk</p>	<p>Central Europe – Mediasurface BV Gebouw Media Valley 1 Naarderweg 16 1217 GL Hilversum Postbus 371 1200 AJ Hilversum The Netherlands Tel: +31 (0) 35 625 7890 Fax: +31 (0) 35 625 7899 www.mediasurface.nl</p>
<p>United States (East Coast) – Mediasurface Inc Three Stamford Landing, 4th Floor 46 Southfield Avenue Stamford, CT 06902 USA Tel: +1 (203) 323 7173 Fax: +1 (203) 323 0595 E-mail: info@us.mediasurface.com www.mediasurface.com</p>	<p>United States (West Coast) – Mediasurface Inc 8105 Irvine Centre Drive 9th Floor Irvine, CA 92618 USA Tel: +1 (949) 936 2658 Fax: +1 (949) 936 2659 E-mail: info@us.mediasurface.com www.mediasurface.com</p>
<p>Mediasurface Ltd Unit 3, 1 The Esplanade Balmoral NSW 2088 Australia Tel: +61 2 9968 2449 Fax: +61 2 9969 1163 E-mail: info@pepperio.com</p>	
<p>Source: Mediasurface</p>	

DATAMONITOR

Headquarters

Europa House,
 184 Ferensway,
 Hull, East Yorkshire,
 HU1 3UT, UK
 Tel: +44 (0)1482 586149
 Fax: +44 (0)1482 323577

Butler Direct Pty Ltd.

Level 46, Citigroup Building,
 2 Park Street, Sydney,
 NSW, 2000,
 Australia
 Tel: + 61 (02) 8705 6960
 Fax: + 61 (02) 8705 6961

Butler Group

245 Fifth Avenue,
 4th Floor, New York,
 NY 10016,
 USA
 Tel: +1 212 652 5302
 Fax: +1 212 202 4684

Important Notice

This report contains data and information up-to-date and correct to the best of our knowledge at the time of preparation. The data and information comes from a variety of sources outside our direct control, therefore Butler Direct Limited cannot give any guarantees relating to the content of this report. Ultimate responsibility for all interpretations of, and use of, data, information and commentary in this report remains with you. Butler Direct Limited will not be liable for any interpretations or decisions made by you.

For more information on Butler Group's Subscription Services please contact one of the local offices above.

