



The Data Quality Ball

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The data quality market is a sea with a few large fish and many minnows. It has hordes of vendors (literally dozens) but almost all of these are small in size (less than USD 10M revenue, many smaller still). Several have been acquired in recent years and folded into larger offerings e.g. First Logic by Business Objects, Similarity Systems by Informatica, Dataflux by SAS. This reflects a growing trend towards customers expecting data quality to be an inherent part of a broader application, either business intelligence, data integration or, more recently, master data management.



For a data quality vendor to beat an independent path it needs to be capable of playing within a bigger canvas. Short of being acquired, the best way of doing this is to turn the application inside out and allow its elements to be called as web services within other applications. To avoid this is to risk being restricted to a diminishing market niche. A vendor which has aggressively done this is Group 1, one of the “big fish” in the data quality market that was acquired in 2004 by Pitney Bowes. Group 1 has now re-architected its Customer Data Quality Platform product into bite-sized pieces which can be called via web services. For example an application might want to allow a customer service representative to see who is dialling via a “reverse phone number”

service. Alternatively a government application might want to check whether a person is on a proscribed list (perhaps as a potential terrorist) by calling up a service called “interdiction list”. A sales rep might want to check whether a prospect is a new customer or is actually an existing customer with an account, and so wants to call up a “match customer” service. These services are elements of broader applications, and called up as such.

This strategy appears to be working for Group 1, with a large and expanding customer base that showed 75% licence revenue growth in 2007. Group 1 does not publicly disclose its customer base, but in an industry where vendors often claim “tens” of enterprise customers, Group 1 has hundreds. Pitney Bowes’ acquisition of one of the two leading GIS vendors, MapInfo, allows the traditional strength of the Group 1 technology around customer profiling to be combined with geographic and demographic information. This should be a potent combination as customers become increasingly “geo aware”.

One feature of master data management (MDM) conferences I have observed recently has been a spate of data quality vendors crossing out “data quality” from their collateral and writing in “MDM”. In many cases this appears to be the extent of the re-engineering that has taken place. It is refreshing that Group 1 has not mindlessly jumped on the MDM bandwagon by re-labelling itself as an MDM solution. Instead it positions its technology as an MDM enabler, partnering with MDM platform vendors such as Initiate and Siperian. In this way it can add value to broader MDM projects where

sophisticated treatment of customer name and address information is important. This seems to me a smart move, since there are an awful lot of data quality vendors standing on one side of the dance floor looking longingly at a relatively small number of MDM platform vendors that they can dance with on the other side.

With the trend to data quality being seen as part of a broad solution rather than a point solution in itself, having a strong MDM partner is going to be important to the future success of data quality vendors if they wish to participate in the faster growing MDM market. Data quality vendors which ignore this are at risk of missing the dancing entirely and going home alone.

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