

Zoho sheds light on its analytics strategy

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Summary

Zoho, a veteran provider of business applications in the cloud, has elucidated its analytics strategy. The company has a long-standing focus on addressing embedded and stand-alone BI uses cases through the provision of reports and dashboards in Zoho Reports. It has now made a foray into augmented analysis (via the debut of natural-language-processing-based queries), auto data blending and on-premises deployments with an offering re-branded as Zoho Analytics.

The 451 Take

Zoho Analytics is a stronger product than Zoho Reports, as it addresses the trend of supporting augmented analytics to make analysis more user-friendly. The offering is also beginning to cater to DIY data preparation, which has become a fundamental component of an analytics platform as well. But while we think SMBs and existing customers will be attracted to Zoho Analytics, most enterprises will require a great deal more functionality than is available today, although roadmap plans will certainly take the offering in the right direction.

Context

Zoho was founded in 1996 as network management specialist AdventNet. In 2009, the company changed its name to that of its Zoho suite of business applications in the cloud. Zoho has continued to build out its suite of cloud business applications – which now number over 40 and include apps for sales, marketing, social media, finance and project management. It added BI and analytics to its cloud portfolio in December 2009 when Zoho Reports became generally available.

The company notes that it has been bootstrapped and profitable since year one. Zoho continues to expand at a rapid pace. It cites a headcount of more than 7,000 employees and reports that it has added 1,800 personnel in the past year. The vast majority of Zoho's staff are in India, where it has three development centers. That said, the company also has several other offices, including European headquarters in Utrecht, The Netherlands, and locations in Singapore, Australia and China. Furthermore, Zoho is planning significant expansion in the US in 2019 with the opening of new US headquarters in Texas.

Strategy

Zoho Analytics is the new name of Zoho Reports. The company decided to re-brand the offering to reflect its capabilities beyond a reporting engine. Like the rest of the company's portfolio, Zoho Analytics is typically used by SMBs, which find its price point appealing. About 70% of Zoho Analytics' installed base are SMBs and the remainder are in the midmarket.

The product is sold stand-alone as a self-service BI offering, as well as integrated into Zoho and third-party apps. The vendor notes that 50% of customers deploy it for self-service analysis, 20% for embedded analytics, and 30% integrated within a Zoho or third-party app.

The company has recently expanded rollout options. Organizations continue to be offered the choice of using Zoho Analytics as a SaaS product, or hosted in a Zoho-owned datacenter in the US, India, Europe or China. However, since August 2018, hosting it at a customer network operations center or as a private cloud service has been available to address demand for on-premises deployment. Management notes that embedded analytics, HIPAA compliance and conforming to government regulations have been key drivers behind the company's move to address on-premise deployments.

Zoho Analytics is available in four flavors: Basic, Standard, Premium and Enterprise Editions. Zoho Analytics Premium is the most popular version. It costs £90 (\$116) per year and is designed for 15 users to analyze up to five million rows of data. Premium also includes logo re-branding capabilities, an hourly data synch, data alerts, administration, and back-up features.

While SMBs remain Zoho Analytics' heartland, the company is also seeking to court cost-conscious enterprises. Indeed, it notes that large companies, particularly those with budget constraints, have adopted Zoho Analytics. Furthermore, the vendor has a series of enhancements lined up, some of which are aimed at making Zoho Analytics more enterprise-ready.

Although the preponderance of Zoho Analytics customers reside in English-speaking countries, the offering is available in 15 languages as part of Zoho's strategy to address a global audience. The company cites more than 6,000 paying customers using the offering.

Zoho Analytics

The latest Zoho Analytics 4.0 is the first to use the company's new branding – all previous versions were Zoho Reports. It's also the first to integrate Zia, a stand-alone conversational artificial intelligence platform that the firm launched a couple of years ago. Zia is already integrated into other Zoho offerings, including its CRM service.

Inside Zoho Analytics, Zia is designed to act as an intelligence assistant – courtesy of its NLP-based query capabilities. They essentially enable a user to ask a question such as 'Give me sales by country by channel,' or 'Get me the support tickets received this month by product region,' and Zia will automatically generate a visualization to answer the question.

Version 4.0 also introduces auto blending of data. This capability is all about making the analysis of data housed in various different applications less arduous. Auto blending essentially identifies the connection between the apps so it is easier to create reports and dashboards from data residing in several different apps. Additionally, the company has expanded the offering's analysis capabilities by incorporating forecasting algorithms to enable it to predict future trends based on past data, as well as made the UI cleaner and more user-friendly.

Zoho also continues to introduce connectors to hook into data in applications requiring analysis. The vendor uses its internally developed connectors as a point of differentiation as they aren't the same traditional data connectors, which are typically employed to only fetch data. Zoho's connectors essentially acquire data to create a data model, which means they automatically provide the user

with several prebuilt reports and dashboards so users can get up and running quickly, as they don't have to create them themselves.

For instance, each connector in Zoho Analytics 4.0 comes with over 100 prebuilt domain reports and KPI dashboards. Furthermore, the company provides DataBridge to aid with the import of on-premises data into Zoho Analytics. DataBridge enables users to import data stored locally or hosted in the likes of MySQL, Microsoft SQL Server, Oracle and PostgreSQL databases, as well as other SQL-compliant sources.

Competition

Zoho Analytics' cited primary competitors in self-service analytics are Tableau and Microsoft Power BI. That figures. Both remain popular for DIY analysis involving the creation of dashboards and reports, which is Zoho Analytics' primary purview, albeit not its only one. The integration of Zia into Zoho Analytics 4.0 reminds us of Tableau (Ask Data) and Power BI (Q&A). We also think Microsoft Excel is an alternative to Zoho Analytics. Additionally, we believe Amazon Quick Sight, Qlik Sense, Chartio, Plotly and Looker are rivals because they are employed by SMBs for dashboard and reporting use cases.

When it comes to embedded analytics, Logi Analytics and GoodData are Zoho Analytics' cited competitors, which makes sense. Logi has a longtime focus on embedded analysis and is still one of the most well-known vendors for supporting this usage scenario – despite it being on offer from pretty much every analytics provider these days. Logi recently acquired Jinfonet to add embeddable reporting to its portfolio. GoodData also has a long-standing focus on embedded analytics, which it delivers as a cloud service to organizations of various sizes. Additionally, we see parallels between Zoho's strategy to provide analytics as a complement to other internally developed business applications for SMBs and Google's game plan with G Suite, although we think it's fair to say that Google Analytics is geared up mainly for web analytics.

The company is seeking to differentiate Zoho Analytics from its rivals by emphasizing its ability to support unified business analytics. Unified business analytics essentially results in the delivery of out-of-the-box, domain-specific charts and dashboards; support for sharing and publishing reports; and dashboards with built-in fine-grained access control lists, collaborative decision-making and alerting.

SWOT Analysis

Strengths	Weaknesses
Zoho has deep expertise in catering to SMBs' BI and analytical requirements and, moreover, delivers them at an attractive price point.	Zoho Analytics is a work in progress. While it covers all of the bases as a BI tool for groups of users, its ability to be employed as an analytics platform supporting a wide variety of analytical use cases and underpinned by data management functions is limited right now.
Opportunities	Threats
Upselling to existing customers already deploying the vendor's apps seems like low-hanging fruit given the increasing appetite for embedded analysis within the everyday apps that individuals use.	Zoho Analytics faces a highly crowded and competitive market as a stand-alone BI offering with limited market visibility.

Source: 451 Research, LLC