

Adobe to Buy Omniture

Patricia Resende

Adobe Systems, the maker of Flash, Acrobat and Photoshop, plans to acquire Utah-based Omniture for \$1.8 billion, or \$21.50 per share, the companies announced late Tuesday. The deal would combine Adobe's Web design tools with Omniture's Web analytics tools.

If the deal is completed, designers, online marketers, and developers are expected to benefit from additional creative tools while advertisers, publishers and online retailers get a better return on their investments, according to company executives.

"Omniture's mission has been to enable our customers to optimize every digital interaction," said Omniture CEO Josh James. "By joining forces with Adobe, we will accelerate our ability to deliver on that vision and together bring new innovation to the market that improves content engagement, advertising effectiveness, and the overall user experience, which will drive more advertising dollars online."

Avoiding Disruptions

Analysts, however, believe the marriage of the two companies may not be well accepted by developers and designers and could cause a disruption for customers.

"I think when it gets down to the details of what the integration will actually look like, there are a lot of details to be worked out and questions on how analytics should enter into the design process," Gartner media analyst Andrew Frank said. "I think it will be a challenge for the category, and Adobe has now put itself in a leadership position for these integration issues."

Adobe has to predict how long it will take the Web-design discipline to evolve and accept the changes, Frank said.

Adobe, however, said the integration is what its customers need because they are looking for tools and services to monetize their content and applications online.

Additional tools and services also mean major adjustments, according to Adobe President and CEO Shantanu Narayen. "This is a game-changer for both Adobe and our customers," he said.

Not disrupting customers, including Gap, Chevrolet and Universal Pictures, will be the key to Adobe and Omniture's success, Frank said. "I always think in these M and A situations the most important thing to do is preserve the continuity of products, and it is always wise to avoid disrupting your customers," he said.

If there is no integration between Omniture Web analytics and Flash tools, Frank

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said, it would be good for both companies because of sales relationships. He added that enterprise customers, who make up Omniture's customer base, would rather deal with fewer vendors.

Changes To Come

As part of the expected integration, Omniture will become a new business unit within Adobe. James will join Adobe as senior vice president of the new unit, reporting to Narayen.

The deal, which is subject to government approvals, is expected to close in the fourth quarter of Adobe's 2009 fiscal year.

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