

REPORT REPRINT

SmartBear strengthens web and mobile testing with purchase of CrossBrowserTesting

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The age of so-called 'digital transformation' has spawned exponential growth of web and mobile applications and use cases that require better, faster and easier ways of testing before deployment. In response to this trend, SmartBear has acquired CrossBrowserTesting.

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Application and API testing vendor SmartBear Software has acquired CrossBrowserTesting for its web and mobile automated cloud testing platform. The target can craft tests for roughly 1,500 mobile devices and browsers in over 65 operating systems, including iOS, Android and Windows. The deal is a good move for SmartBear that adds value to its testing tool portfolio.

THE 451 TAKE

SmartBear is building a rather impressive testing ecosystem. Its collaborative development, functional testing, performance testing and monitoring platform provides a foundation on which the company continues to build out support for API, mobile, web and desktop applications. It has cozied up to open source organizations by donating the Swagger API description format to the Open API Initiative, and with the purchase of CrossBrowserTesting is romancing the Selenium and Appium testing communities. Testing technology like SmartBear's will play an increasingly important role in next-generation application development as enterprises continue to focus on customer and partner relationships as part of so-called 'digital transformation' initiatives. Automated testing will also become a priority as application development migrates to DevOps platforms, and as apps continue to be 'containerized' and developed using micro-services.

DEAL DETAILS

The deal has already closed, although terms were not announced. CrossBrowserTesting's three founders and eight staff will remain onboard and the group will continue to operate as a stand-alone business inside SmartBear. Its offering will also remain a stand-alone cloud service. SmartBear intends to contribute resources and investments to continue to strengthen CrossBrowserTesting's technology and offerings. We expect that its technology will be integrated with other SmartBear portfolio offerings in the future, but no timeline was reported.

TARGET PROFILE

CrossBrowserTesting offers a secure and scalable cloud infrastructure that contains over 1,500 mobile and desktop browsers in 65 operating systems, including iOS, Android and Windows, for use in web and mobile application testing. Users can perform manual testing or access open source testing tools Selenium or Appium to run automated cross-browser and mobile testing. The vendor claims that more than five million tests run in its cloud and that over 200,000 testers employ it rather than creating and maintaining an in-house test infrastructure.

ACQUIRER PROFILE

SmartBear Software offers management software that supports the application delivery processes of development, testing, API readiness and user experience monitoring across desktop, web and mobile platforms. Founded in 2007, the Somerville, Massachusetts-based firm is backed by Insight Venture Partners and Toba Capital (the total capital invested was not disclosed). It has over 270 employees across offices and development facilities in Austin, Texas; Coconut Creek, Florida; Galway, Ireland (European headquarters); Stockholm; and Tula, Russia. We estimate that its combined annual revenue with CrossBrowserTesting is roughly \$55m and that it and CrossBrowserTesting as an independent unit are operating profitably.

DEAL RATIONALE

By purchasing CrossBrowserTesting, SmartBear is securing a foothold in the Selenium and Appium testing communities. Appium is an open source, cross-platform test automation tool for native, hybrid and mobile web applications, tested on simulators (e.g., iOS, Firefox OS), emulators (e.g., Android) and devices (e.g., iOS, Android, Firefox OS). Selenium is a record/playback tool for authoring tests without learning a scripting language. The support for Selenium and Appium in CrossBrowserTesting should enhance SmartBear's position in the open source web and mobile testing markets.

The companies report that CrossBrowserTesting has more than 200,000 users and 3,700 paying customers globally, 85% of which subscribe using credit cards. Pricing for CrossBrowserTesting ranges broadly from \$29 per month to enterprise deals that can reach \$80,000 for an annual subscription.

COMPETITION

CrossBrowserTesting's rivals include Sauce Labs and BrowserStack, both of which support Selenium testing. CrossBrowserTesting says these vendors are positioning at the high-end enterprise segment whereas it goes to market with a low-touch relationship with the testing developer communities.

SmartBear's typical competitors for application quality testing and performance management include Keynote Systems, AppDynamics and New Relic. The company notes that it also competes with Hewlett Packard Enterprise, CA Technologies and IBM, but likely because they are incumbent suppliers of integrated development environments and SOA application development platforms. For API testing, SmartBear vies with Parasoft.

ACQUIRER

SmartBear Software

TARGET

CrossBrowserTesting

SUBSECTOR

Cloud-based web / Mobile application testing

DEAL VALUE

Not disclosed

DATE ANNOUNCED

May 4, 2016

CLOSING DATE

May 4, 2016