

CASE STUDY:

# Why HubSpot Chose Amplitude for Product Analytics Over a Homegrown Solution



"Analysis with Amplitude is so fast. We run a report, have the answer, and can run an immediate follow up report."

DANIEL WOLCHONOK  
SENIOR MANAGER OF GROWTH & ANALYTICS, HUBSPOT



## CHALLENGE

HubSpot needed a reliable, trustworthy solution for product analytics so that their product teams could understand user behavior in order to build great digital products.

## SOLUTION

Faced with a reality that employees were increasingly skeptical of the data from their homegrown analytics solution and therefore using it less for analysis, HubSpot chose Amplitude for behavioral and product analytics.

## WHY AMPLITUDE

- Enables wider team to use and apply data so that they can continue to improve and iterate their products ahead of the competition.
- Tailored for B2B: both account-level and individual user behavior reporting.
- Customization with direct SQL access via Redshift.

## RESULTS

Replacing their homegrown behavioral analytics system with Amplitude has re-established HubSpot's trust in their internal data. HubSpot is discovering insights about customer cohorts that are directly leading to product improvements.

## The Backstory: Why HubSpot Chose Amplitude

You cannot talk about marketing in the 21st century without mentioning HubSpot (NYSE: HUBS). The Boston-based enterprise defined the marketing strategy that has become table stakes for any company: 'inbound marketing.' Today, more than 30,000 businesses use HubSpot's suite of marketing and sales software products.

Building great products and finding the tools needed to do so is a job that HubSpot's Head of Product Analytics, Daniel Wolchonok focuses on full time. Product analytics that allow product managers, engineers, designers and marketers to easily track and quickly understand user behavior is a core part of HubSpot's technology stack.

"Using product analytics has changed how I think about building products," Dan said. "The thing that tips the scale from one company to another is their ability to leverage data about who is using their product. That will ultimately be achieved with a behavioral analytics system."

But landing on the right product analytics system has not been so simple. In recent years, HubSpot has:

- implemented and uninstalled Mixpanel,
- built and scrapped their own internal infrastructure,
- implemented and decided to keep Amplitude.

We spoke with Dan to understand the challenges of building your own behavioral analytics system (or any internal tool) and the reasons they chose Amplitude.

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***"Amplitude empowers product managers and other end users to explore our data and answer questions themselves, allowing our analysts to focus on strategic initiatives."***

DANIEL WOLCHONOK, SENIOR MANAGER OF GROWTH & ANALYTICS

## The Challenge of Building Your Own System

You can break the costs of building a piece of software down into two buckets: the cost to build and the cost to maintain the software.

HubSpot approached the question of buy vs. build as a matter of opportunity cost. They looked at the salary of staffing the build project long term, figuring it would require at least three full-time engineers, as well as a project manager's time, which would amount to significant costs to staff a project of such complexity like a behavioral analytics platform.

Building the software was only the beginning, Dan said. The real challenge came after. Between educating the team on how to use it, overcoming the new technology learning curve, scaling the system, and finding resources to maintain it, the cost of building their own system was much higher than the cost of partnering with a vendor.

Managing system outages and reliability issues was what Dan described as the "monster" of all issues. "This was like a death spiral," he explained. "It got to the point where people were increasingly skeptical of the data that came out of the system and not using it very much."

Ultimately, frustration and doubt in the data's integrity started to bubble up and spread through the organization. It was becoming a major drain on time and resources.

"Talk to anybody on the product team at HubSpot and they will tell you that they were a bit frustrated with the system because of the slow load times, changing data and unreliable

reports," Dan said. "And it was built by some very smart and talented people."

HubSpot decided to host a cost/benefit "bake off" where they presented options for investing more resources into their internal tool versus buying a vendor solution.

## A "Perfect" Vendor is a Myth, But Beats Building It Yourself

Amplitude won the bake off, with an honest caveat: there's no such thing as the perfect tool.

"Ultimately," Dan said, "I think there's no solution that will give you everything you need for every single analysis you have to do." While you think a perfect tool exists you will drive yourself crazy looking for it. As Dan put it, "we thought we were a special snowflake and things we had to have were mission critical."

Realizing there is no such thing as a "perfect" vendor, HubSpot landed on Amplitude because it met their core requirements, enabled them to do most of what they needed to do and allowed them to customize the rest.

HubSpot chose Amplitude for a few reasons:

- Both account-level and individual user views. As a B2B company, HubSpot needs to look at the behavior of entire accounts, not just individual users. Amplitude enables account-level reporting for funnels, retention, behavioral cohorts, and more.
- Customization with Redshift. Extracting data from HubSpot's data warehouse was an important capability of the analytics vendor. Amplitude's Redshift integration enables HubSpot analysts to query raw data for more complex questions.

## Actionable Data with Amplitude

About 300 people at HubSpot now use Amplitude. First and foremost, it's a tool that gives the product team actionable data to build better products. Many folks in marketing, design, engineering, analysis, research, and business development use it for their own analytics purposes.

Using behavioral cohorts, the teams are making big discoveries about which types of accounts are performing better than others. From there, they can understand how to improve the experience for those underperforming cohorts. "That's a really, really exciting thing for a team to discover," Dan added.

At the end of the day, product analytics that reveals user behavior is essential in building and growing products. For HubSpot, Amplitude provided the most cost effective, reliable, customizable solution to fill their needs.

