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EXCERPT

Worldwide Data Warehouse Platform Tools 2006 Vendor Share (Excerpt from IDC #207851)

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IN THIS EXCERPT

This IDC excerpt is taken from the Worldwide Data Warehouse Platform Tools 2006 Vendor Share (IDC #207851, July 2007) by Dan Vesset and Brian McDonough. All or part of the following sections are included in this excerpt: IDC Opinion, In this Study, Situation Overview, Vendor Profiles, Future Outlook, and Essential Guidance. Also included are Figures 1 and Tables 1 – 4.

IDC OPINION

The future of the data warehouse (DW) platform tools market remains bright. The need to integrate and analyze structured and increasingly unstructured information from multiple sources to ensure a successful business analytics project remains a key driver for purchasing data warehouse platform tools. In 2006, data warehouse platform tools market highlights included:

- The market showed growth of 12.5% in 2006 for a total market size of $5.7 billion in worldwide software revenue.
- The leading database vendors expanded their data warehouse offering through new product releases and acquisitions in related software areas for business intelligence (BI), access to unstructured content, and real-time data integration.
- The specialty vendors continued to innovate, with each focusing on its strengths to counteract the push of database vendors into market segments beyond the core data warehouse management tools.

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: Excerpt

IN THIS STUDY

This IDC study examines the data warehouse platform tools market for the period from 2004 to 2006. Worldwide market size is provided for 2006, with trends from 2004. Geographic region splits for the overall market and its subsegments are provided in addition to a vendor competitive analysis, with revenue and market share for the leading vendors for 2006. This study also provides profiles of leading vendors and identifies the characteristics that vendors will need to be successful in the future.

The vendor shares and competitive analysis contained herein update those found in *Worldwide Data Warehousing Tools 2005 Vendor Shares* (IDC #203229, August 2006). This study does not include the DW software market forecast, which will be published in an upcoming worldwide business analytics software study.

Methodology

See the Learn More section for a description of the data collection and analysis methodology employed in this study.

In addition, please note the following:

- The information contained in this study was derived from the IDC Software Market Forecaster database as of May 29, 2007.
- All numbers in this document may not be exact due to rounding.
- For more information on IDC's software definitions and methodology, see *IDC's Software Taxonomy, 2007* (IDC #205437, February 2007).

Changes from Previous Market Studies

In the past, IDC defined the data warehouse software market as comprising three segments: data warehouse generation (DWG), data warehouse management (DWM), and data warehouse access. The data warehouse access tools segment included a subsegment of such business intelligence tools as query, reporting, and analysis and advanced analytics. Starting with this DW platform tools study, IDC will no longer include the data warehouse access segment of the market. Instead, the entire business intelligence tools market size including vendor shares can be found in *Worldwide Business Intelligence Tools 2006 Vendor Shares* (IDC #207422, June 2007). The previously published data warehouse access market segment also included a portion of the spatial information management market, which will be published in a separate study. As a result, the total data warehouse platform tools market should not be compared with the data warehousing tools market published in *Worldwide Data Warehousing Tools 2005 Vendor Shares* (IDC #203229, August 2006). However, each of the market segments included in this study, data warehouse generation and data warehouse management, can be compared with previous studies with the caveat that each subsequent study may include adjustments to historical software revenue data.

Data Warehouse Platform Software Market Definition

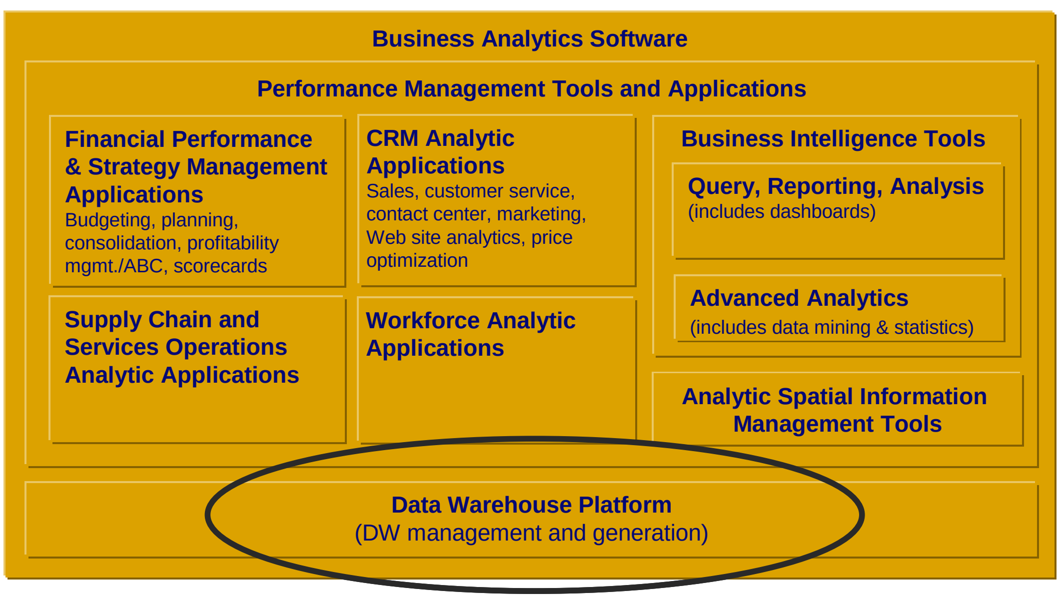
IDC defines the DW platform tools market as being composed of two market segments: data warehouse generation (DWG) and data warehouse management (DWM).

- **Data warehouse generation.** These tools are software used in the design, cleansing, transformation, loading, and administration of the data warehouse.
- **Data warehouse management.** These tools are database management software (DBMS) used to manage data in the data warehouse.

In IDC's software taxonomy, these DW platform tools are part of the broader market called business analytics, which is depicted in Figure 1.

FIGURE 1

IDC Business Analytics Taxonomy, 2007



Source: IDC, 2007

SITUATION OVERVIEW

The Data Warehouse Platform Tools Market in 2006

As shown in Table 1, in 2006, the DW platform tools market grew 12.5% to reach $5.7 billion in worldwide license and maintenance revenue. This growth was in the expected range of IDC's forecast as published last year. In 2006, the market was characterized by a number of small and midsized acquisitions between software vendors of various types. These vendors offered products that included technologies for managing data quality, performing real-time data integration, managing master data, and extracting unstructured content.

TABLE 1

Worldwide Data Warehouse Platform Tools Revenue by Segment, 2004–2006

	Revenue ($M)			Share (%)				
	2004	2005	2006	2004	2005	2006	2004–2005 Growth (%)	2005–2006 Growth (%)
Data warehouse generation	1,036.8	1,180.1	1,329.7	22.7	23.3	23.3	13.8	12.7
Data warehouse management	3,536.9	3,891.6	4,373.7	77.3	76.7	76.7	10.0	12.4
Total	4,573.7	5,071.7	5,703.4	100.0	100.0	100.0	10.9	12.5

Source: IDC, July 2007

Performance of Leading Vendors in 2006

Table 2 displays 2004–2006 worldwide revenue and 2006 growth and market share for DW platform tools vendors.

The Vendor Profile section presents profiles of the top 10 data warehouse platform tools vendors and comments on several key smaller software companies with products on the market as of 2006.

TABLE 2

Worldwide Data Warehouse Platform Tools Revenue by Vendor, 2004–2006

	Revenue ($M)			Share (%)				
	2004	2005	2006	2004	2005	2006	2004–2005 Growth (%)	2005–2006 Growth (%)
Oracle	1,514.3	1,653.2	1,869.9	33.1	32.6	32.8	9.2	13.1
IBM	1,026.4	1,112.2	1,245.1	22.4	21.9	21.8	8.4	12.0
Microsoft	513.4	630.1	775.1	11.2	12.4	13.6	22.7	23.0
SAS	420.3	457.3	498.7	9.2	9.0	8.7	8.8	9.0
NCR Teradata	373.7	400.6	418.8	8.2	7.9	7.3	7.2	4.6
Informatica	175.7	222.8	248.0	3.8	4.4	4.3	26.8	11.3
Sybase	82.0	88.0	94.1	1.8	1.7	1.6	7.3	7.0
Business Objects	43.4	51.1	57.9	0.9	1.0	1.0	17.8	13.2
Fujitsu	31.9	34.5	35.3	0.7	0.7	0.6	8.1	2.5
Netezza	15.5	22.8	32.3	0.3	0.4	0.6	47.2	42.0
Pitney Bowes Distribution Solutions	27.3	28.0	30.9	0.6	0.6	0.5	2.8	10.2
Software AG	20.1	21.2	23.0	0.4	0.4	0.4	5.7	8.6
CA	20.3	18.0	16.9	0.4	0.4	0.3	-11.1	-6.0
Information Builders Inc.	17.6	16.1	14.8	0.4	0.3	0.3	-8.5	-7.8
Evolutionary Technologies International	9.0	9.9	10.7	0.2	0.2	0.2	9.3	7.9
Hitachi	10.4	10.1	10.0	0.2	0.2	0.2	-3.7	-0.3
Subtotal	4,301.4	4,775.8	5,381.7	94.0	94.2	94.4	11.0	12.7
Other	272.4	295.9	321.8	6.0	5.8	5.6	8.6	8.7
Total	4,573.7	5,071.7	5,703.4	100.0	100.0	100.0	10.9	12.5

Note: Netezza is a DW appliance vendor that derives revenue from a solution that combines software and hardware. For the purposes of this study, IDC estimated 50% of Netezza revenue as software related and includes only this software portion in the current study. Other DW appliance vendors such as Datallegro were treated similarly.

Source: IDC, July 2007

Vendor Profiles

Oracle

Oracle slightly extended its lead in the data warehouse platform tools market. The company's data warehouse software revenue grew 13% in 2006 to reach $1.87 billion. Given its relatively strong performance in 2006, Oracle's market share is now 33%. Oracle provides tools for both data warehouse management (Oracle RDBMS) and generation (Oracle Warehouse Builder). Other related product components include Oracle Partitioning and Oracle OLAP and Data Mining. However, the latter two optional add-ons to the database, along with other Oracle BI software, are accounted for in *Worldwide Business Intelligence Tools 2006 Vendor Sha*res (IDC #207422, June 2007).

IBM

IBM, with $1.25 billion in software revenue and 22% market share, was the number 2 data warehouse platform tool vendor. IBM's primary products in this market include the DB2 Warehouse for data warehouse management and IBM Information Server, which among other components includes the WebSphere DataStage and QualityStage for data warehouse generation. IBM also markets IBM Balanced Warehouse as a data warehouse appliance offering. More recently, IBM has introduced a concept it calls Dynamic Warehousing, with the goal of tighter integration between the traditional data warehouse and other related IBM solutions for unstructured data access and analysis, master data management, development tools, and business process automation.

Microsoft

Microsoft rounds out the top 3 data warehouse platform tools vendors with a strong 23% growth rate, $775 million in revenue, and 14% market share. Microsoft had again the highest share gain of any vendor in the data warehouse platform tools market. Microsoft's offering includes the SQL Server for data warehouse management and SQL Server Integration Services for data warehouse generation. The company has enjoyed strong growth over the past three years as performance of SQL Server 2005 silenced certain critics of the product's performance issues. Nevertheless, it's unlikely that Microsoft will become the preferred vendor for very large data warehouse deployments in the near future until a larger portion of its current customers see their data warehouses expand with Microsoft's technology into the multidozen terabyte size range. In addition, as Microsoft moves toward the launch of SQL Server 2008, it has made data warehousing (under its broader business intelligence initiatives) a major area of investment. However, the rest of the .NET and Windows market will be more receptive to Microsoft, especially given the company's continued efforts to market business intelligence tools and performance management applications along with its data warehouse platform.

SAS

SAS interrupts the dominance of the traditional RDBMS vendors with its solutions for both data warehouse generation and management. The company grew 9% to just under $500 million in the data warehouse platform tools market in 2006. SAS' broad portfolio of BI tools and analytic applications enable it to cross-sell complementary products and also continue to benefit from the adoption of its data warehouse platform tools. SAS was the leader of the data warehouse generation market segment. The company's primary products in this market include the DataFlux product line and its extraction, transformation, and loading (ETL) product. However, in the near term, SAS is likely to see strong challenges to its first-place position in the data warehouse generation market segment from maturing offerings from the leading RDBMS vendors.

Teradata

Teradata ended 2006 with $420 million in data warehousing platform tools software revenue. This figure does not include all of NCR's Teradata division's revenue, which also includes hardware, services, and applications revenue. It is likely that Teradata's pending spin-off from its parent NCR played some role in a slower growth of the company in 2006. The company has come under some price pressure recently as its traditional database competitors have improved their performance and as smaller data warehouse appliance vendors have gained some market share. Nevertheless, Teradata remains one of the leading vendors for data warehouse management tools, with 10% of that market segment. Its most recent major marketing effort has focused around the concept Teradata calls Active Data Warehousing. In it, the traditional data warehouse is extended through the use of real-time data integration and business process automation technology. As the spin-off from NCR is completed in 2007, IDC expects the company to return to higher growth in the near future.

Informatica

In 2006, Informatica maintained its fifth position in the overall data warehouse tools market. All of its revenue within the data warehouse market comes from the data warehouse generation segment, where it was the number 2 vendor, with $250 million in software revenue. The company's data integration platform is increasingly used for non-DW applications such as master data management and data governance. As one of the perennial leaders of this market segment, Informatica continued to expand its portfolio into other related areas of the data integration market. In December 2006, Informatica announced its acquisition of ItemField for access to semistructured and unstructured data and content (see *Informatica Acquires ItemField: Raising the Stakes in the Data Integration Space with Unstructured Data Support*, IDC #lcUS20499606, December 2006). This was the company's second acquisition of the year. In January 2006, Informatica acquired Similarity Systems, a data profiling and data quality vendor.

Sybase

Sybase finished 2006 with $94 million in data warehouse platform tools revenue. It derives the majority of its revenue from the data warehouse management segment of this market. For several years, data warehousing seemed not to be on the forefront of Sybase's strategy as it focused on mobile and broader data integration solutions. However, recent growth trends suggest a reversal in this trend. Sybase's primary products in this market include the ETL component of its Data Integration Suite for data warehouse generation and Sybase IQ for data warehouse management.

Business Objects

Business Objects derives its data warehouse platform tools revenue from the data warehouse generation market segment, where it holds 4.4% market share with $58 million in software revenue. Business Objects has both ETL and data quality tools that contribute to its position in this market. Business Objects' goal is to expand what it calls its enterprise information management (EIM) product line. Its next step in this direction was the acquisition of Inxight for unstructured content extraction and analysis in 2007. The data warehouse generation tools and the broader information integration market segment is relatively new to Business Objects, which has been selling BI tools since 1990. Therefore, to improve its market share and effectively compete with other data warehouse generation specialists, Business Objects will have to expand significantly its R&D and sales and marketing efforts for data warehouse generation tools.

Tables 3 and 4 display vendor shares for the two individual market segments that compose DW platform tools.

TABLE 3

Worldwide Data Warehouse Generation Tools Revenue by Vendor, 2004–2006

	Revenue ($M)			Share (%)				
	2004	2005	2006	2004	2005	2006	2004–2005 Growth (%)	2005–2006 Growth (%)
SAS	198.8	224.0	255.6	19.2	19.0	19.2	12.7	14.1
Informatica	175.7	222.8	248.0	16.9	18.9	18.6	26.8	11.3
IBM	191.8	213.0	247.7	18.5	18.1	18.6	11.0	16.3
Microsoft	80.6	96.8	117.0	7.8	8.2	8.8	20.0	20.9
Oracle	64.8	72.0	82.7	6.3	6.1	6.2	11.0	14.9
Business Objects	43.4	51.1	57.9	4.2	4.3	4.4	17.8	13.2
Pitney Bowes Distribution Solutions	27.3	28.0	30.9	2.6	2.4	2.3	2.8	10.2
Information Builders Inc.	17.6	16.1	14.8	1.7	1.4	1.1	-8.5	-7.8
Sybase	11.4	12.5	14.0	1.1	1.1	1.1	10.3	11.6
Evolutionary Technologies International	9.0	9.9	10.7	0.9	0.8	0.8	9.3	7.9
Subtotal	820.5	946.4	1,079.3	79.1	80.2	81.2	15.3	14.0
Other	216.3	233.8	250.4	20.9	19.8	18.8	8.1	7.1
Total	1,036.8	1,180.1	1,329.7	100.0	100.0	100.0	13.8	12.7

Source: IDC, July 2007

TABLE 4

Worldwide Data Warehouse Management Tools Revenue by Vendor, 2004–2006

	Revenue ($M)			Share (%)				
	2004	2005	2006	2004	2005	2006	2004–2005 Growth (%)	2005–2006 Growth (%)
Oracle	1,449.5	1,581.1	1,787.2	41.0	40.6	40.9	9.1	13.0
IBM	834.6	899.1	997.4	23.6	23.1	22.8	7.7	10.9
Microsoft	432.8	533.3	658.1	12.2	13.7	15.0	23.2	23.4
NCR Teradata	373.7	400.6	418.8	10.6	10.3	9.6	7.2	4.6
SAS	221.5	233.3	243.1	6.3	6.0	5.6	5.3	4.2
Sybase	70.6	75.4	80.1	2.0	1.9	1.8	6.8	6.2
Fujitsu	31.9	34.5	35.3	0.9	0.9	0.8	8.1	2.5
Netezza	15.5	22.8	32.3	0.4	0.6	0.7	47.2	42.0
Software AG	13.6	14.4	15.6	0.4	0.4	0.4	5.9	8.3
Hitachi	10.4	10.1	10.0	0.3	0.3	0.2	-3.7	-0.3
Subtotal	3,454.1	3,804.6	4,278.0	97.7	97.8	97.8	10.1	12.4
Other	82.8	87.0	95.7	2.3	2.2	2.2	5.0	10.0
Total	3,536.9	3,891.6	4,373.7	100.0	100.0	100.0	10.0	12.4

Note: Netezza is a DW appliance vendor that derives revenue from a solution that combines software and hardware. For the purposes of this study, IDC estimated 50% of Netezza revenue as software related and includes only this software portion in the current study. Other DW appliance vendors such as Datallegro were treated similarly.

Source: IDC, July 2007

FUTURE OUTLOOK

The future of the data warehouse platform tools market remains bright. The need to integrate and analyze structured and increasingly unstructured information from multiple sources to ensure a successful business analytics project remains a key driver for purchasing data warehouse platform tools. Real-time data monitoring solutions have their specific functions and are likely to see gains in adoption. However, these solutions are complementary to traditional data warehousing and even dependent on data warehousing. Only through analysis of historical trends can organizations establish, maintain, and adjust the requirements for their real-time monitoring needs.

ESSENTIAL GUIDANCE

End Users

End users should continue to view data warehouse software as the focal point of a broader business analytics architecture. Recently, much of the industry discussion has been about emerging trends of real-time data integration and analysis and operational BI. However, a solid data warehouse or data mart strategy remains at the center of even such relatively new developments. One needs the historical perspective to be able to establish monitoring thresholds and basis for future predictions.

Many end-user organizations will already have either a central enterprise data warehouse or distributed data marts. The key to successful utilization of these IT assets is a rationalized data integration and data quality strategy. Only by providing the right data to the right people at the right time can IT staff charged with executing data warehousing projects fulfill the needs of business end users. Any lack of confidence in the data due to a multitude of potential quality problems can derail even the most experienced IT team. It is therefore important for IT to work with business constituents to jointly establish data quality standards, whether they originate from compliance-related data governance projects, master data management projects, or general performance management projects.