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COMPETITIVE ANALYSIS

Worldwide Business Intelligence Tools 2010 Vendor Shares

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IDC OPINION

2010 represented a bounce-back year from the low single-digit growth in 2009 when the economic slowdown affected purchasing across the IT spectrum. However, even during the economic downturn, the underlying demand for business intelligence (BI) tools remained strong. The pent-up demand and loosening budgets drove BI tools growth in 2010. Specifically:

- In 2010, the business intelligence tools market reached $8.9 billion in software license and maintenance revenue (including subscription revenue). The BI tools market grew 11.4% in 2010 compared with the 2.0% revised growth for 2009.
- The top 5 vendors in 2010 based on worldwide revenue were SAP, IBM, SAS, Oracle, and Microsoft, accounting for 64.9% of the market total. The top 10 vendors now account for 75.3% of the market, up from 57.9% in 2003.
- The end-user query, reporting, and analysis (QRA) segment of the BI tools market outpaced the growth of the advanced analytics segment of the market.

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Business Analytics Solutions with Vertical Views: Competitive Analysis

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This IDC study examines the business intelligence tools market from 2008 to 2010. Revenue and market share of the leading vendors are provided for 2010, with trends from 2009 and 2008.

The vendor shares contained herein update those found in *Worldwide Business Intelligence Tools 2009 Vendor Shares* (IDC #223725, June 2010).

Methodology

See the Methodology in 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 11, 2011.
- 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, 2010* (IDC #222023, February 2010).

Business Intelligence Tools Market Definition

IDC defines the BI tools market as being made up of two market segments: end-user query, reporting, and analysis (QRA) and advanced analytics:

- **End-user query, reporting, and analysis.** End-user query, reporting, and analysis software includes ad hoc query and multidimensional analysis tools as well as dashboards and production reporting tools. Query and reporting tools are designed specifically to support ad hoc data access and report building by either IT or business users. This category does not include other application development tools that may be used for building reports but are not specifically designed for that purpose. Multidimensional analysis tools include both online analytical processing (OLAP) servers and client-side analysis tools that provide a data management environment used for modeling business problems and analyzing business data. Packaged data marts, which are preconfigured software combining data transformation, management, and access in a single package, usually with business models, are also included in this functional market.
- **Advanced analytics.** Advanced analytics software includes data mining and statistical software (previously called technical data analysis). It uses technologies such as neural networks, rule induction, and clustering, among others, to discover relationships in data and make predictions that are hidden, not apparent, or too complex to be extracted using query, reporting, and multidimensional analysis software. This market also includes technical, econometric, and other mathematics-specific software that provide libraries of

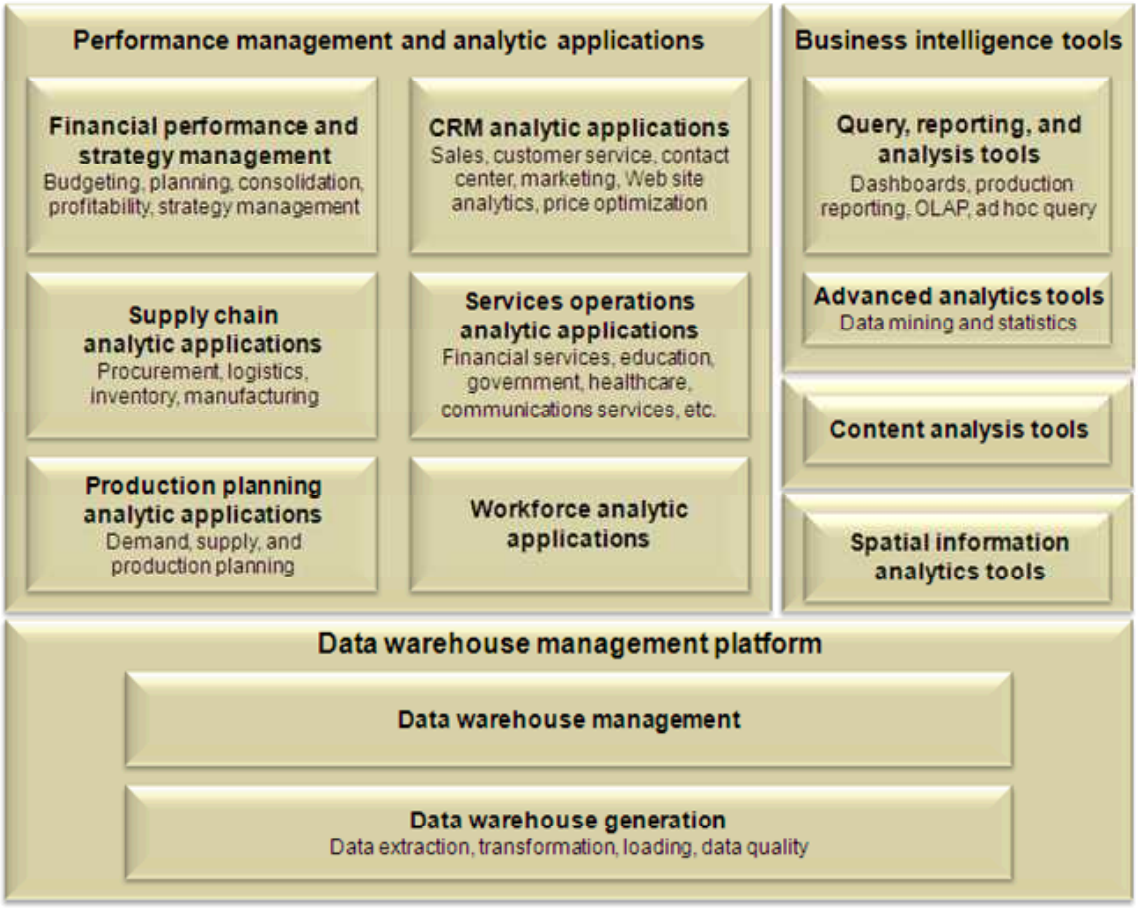
statistical algorithms and tests for analyzing data. Although statistics products vary in sophistication, most provide base-level functions such as frequencies, cross-tabulation, and chi-square. This market also includes a specialized form of statistical software focused on functional areas such as the industrial design of experiments, clinical trial testing, exploratory data analysis, and high-volume and real-time statistical analysis.

The BI tools market includes both standalone packaged software and embedded BI tools provided by some database management software vendors. An example of the latter is Microsoft SQL Server Analysis Services that comes embedded in the SQL Server database.

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

FIGURE 1

IDC's Business Analytics Software Taxonomy, 2011



Source: IDC, 2011

SITUATION OVERVIEW

The Business Intelligence Tools Market in 2010

In 2010, the BI tools market grew 11.4% to reach $8.9 billion in worldwide license and maintenance revenue (including software-as-a-service [SaaS] subscription contracts) (see Table 1). This growth was higher than expected by IDC in the previously published BI tools software market forecast (*Worldwide Business Analytics Software 2010–2014 Forecast and 2009 Vendor Shares,* IDC #225038, September 2010). The higher-than-expected bounceback in the BI tools market was due to better-than-expected worldwide economic activity.

Table 1 also shows the different sizes and growth rates of the two primary segments of the BI tools market: QRA and advanced analytics. QRA again outperformed the advanced analytics market. The latter continues to be dominated by SAS and IBM — which combined hold a 51.4% market share — and is therefore more strongly influenced by the performance of just these two vendors. In the QRA market, SAP had a very strong year, with 19.9% growth following a lackluster 2009 when the company's QRA decreased for the first time. The largest of IT companies continue to dominate the BI tools market and to consolidate market share. However, a number of midsize and smaller vendors such as QlikTech, Tableau Software, and Panorama Software have continued to significantly outpace the market growth.

TABLE 1

Worldwide Business Intelligence Tools Revenue by Segment, 2008–2010

	Revenue ($M)			Share (%)				
	2008	2009	2010	2008	2009	2010	2008–2009 Growth (%)	2009–2010 Growth (%)
Advanced analytics	1,512.7	1,523.7	1,656.1	19.4	19.1	18.7	0.7	8.7
End-user query, reporting, and analysis	6,298.4	6,444.1	7,217.8	80.6	80.9	81.3	2.3	12.0
Total	7,811.0	7,967.8	8,873.9	100.0	100.0	100.0	2.0	11.4

Source: IDC, May 2011

In 2010, we saw many incremental improvements to existing BI tools and suites of BI tools software. The focus of these improvements was on simplicity, which extended to improvements in user interfaces, interactivity, and administration.

The large IT vendors further consolidated their previously acquired BI tools onto common architectures.

Performance by Geographic Region in 2010

Table 2 shows the geographic breakdown of the BI tools market. Further details and analysis of specific regional and country-level trends and market shares are available from IDC.

TABLE 2

Worldwide Business Intelligence Tools Revenue by Region, 2008–2010

	Revenue ($M)			Share (%)				
	2008	2009	2010	2008	2009	2010	2008–2009 Growth (%)	2009–2010 Growth (%)
Americas	3,736.2	3,908.5	4,355.7	47.8	49.1	49.1	4.6	11.4
Europe, the Middle East, and Africa (EMEA)	3,219.7	3,147.0	3,431.5	41.2	39.5	38.7	-2.3	9.0
Asia/Pacific (AP)	855.1	912.3	1,086.7	10.9	11.4	12.2	6.7	19.1
Worldwide	7,811.0	7,967.8	8,873.9	100.0	100.0	100.0	2.0	11.4

Source: IDC, May 2011

Performance of Leading Vendors in 2009

Table 3 displays 2008–2010 worldwide revenue, growth, and market share of vendors with greater than $15 million in worldwide BI tools revenue.

Figure 2 depicts the share of the top 10 largest vendors (by software revenue) in the BI tools market. Because of market consolidation, this share grew from 57.9% in 2003 to 75.3% in 2010. The rest of the market continues to be occupied by a few hundred smaller vendors worldwide.

Figure 3 depicts the BI tools market size and annual growth rates since 1993. Over this time period, the compound annual growth rate of this market was 13.9%.

Table 4 displays 2008–2010 worldwide revenue, growth, and market share of the leading vendors competing in the QRA segment of the BI tools market. The QRA market represented 81.3% of the total BI tools market and grew at 12% in 2010.

Table 5 displays 2008–2010 worldwide revenue, growth, and market share of the leading vendors competing in the advanced analytics segment of the BI tools market. Advanced analytics represented 18.7% of the overall BI tools market and grew 8.7% in 2010.

TABLE 3

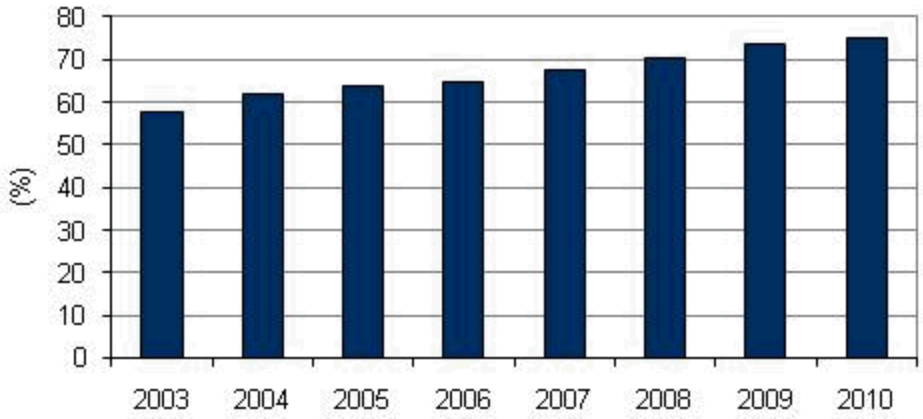
Worldwide Business Intelligence Tools Revenue by Vendor, 2008–2010

	Revenue ($M)			Share (%)				
Company	2008	2009	2010	2008	2009	2010	2008–2009 Growth (%)	2009–2010 Growth (%)
SAP	1,574.6	1,557.1	1,866.4	20.2	19.5	21.0	-1.1	19.9
IBM	1,155.6	1,232.5	1,313.0	14.8	15.5	14.8	6.7	6.5
SAS	870.5	909.5	975.2	11.1	11.4	11.0	4.5	7.2
Oracle	701.1	719.5	802.4	9.0	9.0	9.0	2.6	11.5
Microsoft	648.7	701.3	797.9	8.3	8.8	9.0	8.1	13.8
MicroStrategy	276.0	287.7	337.5	3.5	3.6	3.8	4.2	17.3
QlikTech	103.8	141.3	205.0	1.3	1.8	2.3	36.0	45.1
Information Builders	178.0	185.0	197.7	2.3	2.3	2.2	3.9	6.9
Actuate	105.9	103.2	107.1	1.4	1.3	1.2	-2.5	3.8
Panorama Software	37.6	42.1	75.8	0.5	0.5	0.9	11.9	80.1
TIBCO	72.7	64.1	68.5	0.9	0.8	0.8	-11.8	6.8
Tableau Software	12.5	17.6	36.1	0.2	0.2	0.4	40.8	105.1
arcplan	31.4	29.5	33.4	0.4	0.4	0.4	-6.1	13.1
OpenText	25.3	24.2	25.8	0.3	0.3	0.3	-4.2	6.4
Fujitsu	20.2	22.3	22.8	0.3	0.3	0.3	10.1	2.5
Lawson Software	16.6	16.9	17.7	0.2	0.2	0.2	1.9	4.5
FICO	18.2	12.1	16.7	0.2	0.2	0.2	-33.5	38.0
TARGIT	14.4	14.7	16.1	0.2	0.2	0.2	2.2	9.4
Other	1,947.8	1,887.2	1,958.8	24.9	23.7	22.1	-3.1	3.8
Total	7,811.0	7,967.8	8,873.9	100.0	100.0	100.0	2.0	11.4

Source: IDC, May 2011

FIGURE 2

Worldwide Business Intelligence Tools Combined Software Revenue Share of the Top 10 Largest Vendors, 2003–2010

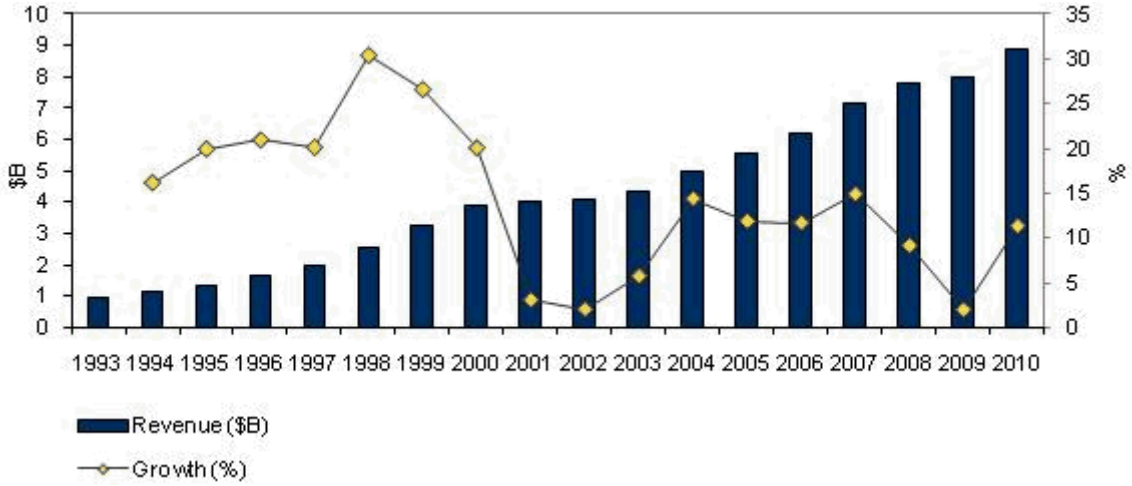


Note: The calculation of the share of the top 10 vendors by software revenue in any given year is not backstreamed to reflect acquisitions.

Source: IDC, May 2011

FIGURE 3

Worldwide Business Intelligence Tools Revenue and Growth, 1993–2010



Note: Any differences to historical figures are due to corrections made after receipt of additional market intelligence.

Source: IDC, May 2011

TABLE 4

Worldwide Query, Reporting, and Analysis Tools Revenue by Vendor, 2008–2010

	Revenue ($M)			Share (%)				
Company	2008	2009	2010	2008	2009	2010	2008–2009 Growth (%)	2009–2010 Growth (%)
SAP	1,574.6	1,557.1	1,866.4	25.0	24.2	25.9	-1.1	19.9
IBM	903.6	996.4	1,044.5	14.3	15.5	14.5	10.3	4.8
Oracle	691.7	710.0	789.9	11.0	11.0	10.9	2.7	11.2
Microsoft	623.4	673.9	765.7	9.9	10.5	10.6	8.1	13.6
SAS	372.7	380.5	392.7	5.9	5.9	5.4	2.1	3.2
MicroStrategy	276.0	287.7	337.5	4.4	4.5	4.7	4.2	17.3
QlikTech	103.8	141.3	205.0	1.6	2.2	2.8	36.0	45.1
Information Builders	178.0	185.0	197.7	2.8	2.9	2.7	3.9	6.9
Actuate	105.9	103.2	107.1	1.7	1.6	1.5	-2.5	3.8
Panorama Software	37.6	42.1	75.8	0.6	0.7	1.1	11.9	80.1
TIBCO	51.2	51.3	55.0	0.8	0.8	0.8	0.2	7.1
Tableau Software	12.5	17.6	36.1	0.2	0.3	0.5	40.8	105.1
arcplan	31.4	29.5	33.4	0.5	0.5	0.5	-6.1	13.1
OpenText	25.3	24.2	25.8	0.4	0.4	0.4	-4.2	6.4
Lawson Software	16.6	16.9	17.7	0.3	0.3	0.2	1.9	4.5
TARGIT	14.4	14.7	16.1	0.2	0.2	0.2	2.2	9.4
Fujitsu	13.2	14.7	15.2	0.2	0.2	0.2	11.1	3.1
Other	1,266.3	1,198.0	1,236.3	20.1	18.6	17.1	-5.4	3.2
Total	6,298.4	6,444.1	7,217.8	100.0	100.0	100.0	2.3	12.0

Source: IDC, May 2011

TABLE 5

Worldwide Advanced Analytics Tools Revenue by Vendor, 2008–2010

	Revenue ($M)			Share (%)				
Company	2008	2009	2010	2008	2009	2010	2008–2009 Growth (%)	2009–2010 Growth (%)
SAS	497.8	529.0	582.5	32.9	34.7	35.2	6.3	10.1
IBM	252.0	236.2	268.5	16.7	15.5	16.2	-6.3	13.7
Microsoft	25.3	27.3	32.2	1.7	1.8	1.9	8.0	17.8
FICO	18.2	12.1	16.7	1.2	0.8	1.0	-33.5	38.0
TIBCO	21.5	12.8	13.5	1.4	0.8	0.8	-40.5	5.5
KXEN	16.3	15.4	13.0	1.1	1.0	0.8	-5.5	-15.6
Oracle	9.4	9.5	12.5	0.6	0.6	0.8	1.1	31.7
Pitney Bowes	7.3	6.4	9.4	0.5	0.4	0.6	-13.1	47.4
Fujitsu	7.0	7.6	7.7	0.5	0.5	0.5	8.3	1.4
Hitachi	6.7	6.4	6.6	0.4	0.4	0.4	-3.9	3.0
Angoss Software	6.3	6.2	5.7	0.4	0.4	0.3	-1.0	-8.1
Teradata	5.7	5.6	5.7	0.4	0.4	0.3	-1.8	1.8
Rogue Wave Software	6.4	5.0	5.4	0.4	0.3	0.3	-21.9	7.5
Other	632.8	644.2	676.7	41.8	42.3	40.9	1.8	5.0
Total	1,512.7	1,523.7	1,656.1	100.0	100.0	100.0	0.7	8.7

Source: IDC, May 2011

FUTURE OUTLOOK

IDC's end-user surveys continue to point to healthy demand for BI software in the foreseeable future. Our forecast models suggest strong growth for the next five-year period. Business analytics remains one of the top priorities for the majority of organizations, and BI tools are one of the key enabling technologies for more pervasive business analytics.

In the near term, we expect that:

- The influence of the cloud computing model's focus on simplicity and the increasing buying influence of business users will grow in the BI tools market. Customers will continue to demand software that is not only easy to use but also easy to acquire, install, and maintain. Specialty (including cloud) vendors have gained traction largely based on the message of simplicity to purchase, deploy, use, and maintain. Larger vendors will be forced to respond, with the net result of a reduction in software deployment time and the ability to purchase software in smaller increments.

- Business analytics appliances will evolve to incorporate database as well as user-facing BI tools. Business analytics appliances have until now been first and foremost packaged for data warehousing. The software components of these appliances have included RDBMS software (and, in a few rare cases, data integration software) optimized for the given hardware platform. We expect that in the near term, IT vendors will begin to extend business analytics appliances to include business end user–facing query, reporting, and analysis tools as well as prepackaged analytic applications. Some of these products have already been introduced to the market in early 2011.

- Demand for mobile BI tools will grow, but prospects will demand designs to support specific use cases rather than just support for various devices. BI tools vendors are still learning about how best to design for mobile devices that are only one of many access channels to data. Mobile information solutions that provide more value than just the ability to track performance metrics or view, comment on, or edit a report need to find their way to market. Mobile BI will be driven by the need for mobile workers to participate in specific, collaborative business processes and ad hoc approval workflows for tactical decision making.

- Pervasive predictive analytics will not materialize through wider use of standalone advanced analytics tools. Instead, advanced analytics functionality will be incorporated into applications and advanced analytics as a service will begin to emerge as an option for organizations to source the quantitative analytic talent necessary to perform more complex analyses. The reality is that the number of quantitative analysts with enough know-how in analytic methods and tools is limited and unlikely to change substantially in the foreseeable future. Therefore, more pervasive use of predictive analytics will not come through sales of more advanced analytics software tools. A more likely scenario is that both descriptive and predictive analytics functionalities will be incorporated into various analytic applications targeted at business decision makers and analysts. These applications have existed for years, but in 2011, the end-user demand for advanced analytics functionality will drive vendors to focus more on this market.

- Knowledge management, now referred to as collaborative and social decision making, will enjoy a resurgence, spurring new investments in supporting technologies including collaborative BI tools. The integration of social networking and social media capabilities into collaboration environments will help accelerate decision making and deliver on the promise of knowledge management from a decade ago via implicit knowledge capture (which preserves contextual

information about people, processes, and content). Social graphs, content rating, and recommendations are already enriching the "search experience" at work. Network analysis techniques that have seen early adoption in tracking social behavior of consumers will begin to be applied to collaboration within the workplace. Gaining the input of many stakeholders to inform a decision while capturing the decision process for reuse will gain traction as a best practice in leading organizations.

An updated IDC forecast for the BI tools market will be available in June 2011.

ESSENTIAL GUIDANCE

To continue growing in the BI tools market, vendors need to align their technology packaging and pricing with the growing preference of end users for departmental and incremental projects and subscription pricing. Although the latter still represents only a small portion of the BI tools market, SaaS or cloud BI offerings are growing three times faster than the rest of the market.

The danger in this environment of fragmented purchasing is the creation of further information silos and a reversal of the gains made by best practices data integration in recent years. To address this potential issue, IT departments should recognize that their role does not include building and rebuilding dashboards and other ad hoc end-user information access interfaces. The time previously spent on these activities should be focused on data management technology, including projects and ongoing programs for data integration, cleansing, security, system availability, and performance management.

BI tools providers' focus on collaborative BI can't be superficial and include simply the sharing of reports or dashboards. Features for adding annotations, ranking and rating information, online collaborative workspaces, and other similar features should be much more prevalent than they are today.

The focus on simplicity may actually make things more complicated for vendors as simplicity is defined by each customer. It means having more options for deployment, pricing, features, and functions that don't require customers to pay for something they don't intend to use.

LEARN MORE

Related Research

- *Take Care of Your Quants: Focusing Data Warehousing Resources on Quantitative Analysts Matters* (IDC #227524, March 2011)
- *Market Analysis Perspective: Worldwide Business Analytics Solutions 2010 — The Emerging Mass Market for Business Intelligence, Analytics, and Data Warehousing* (IDC #227397, March 2011)

- *Worldwide Information Access, Analysis, and Management Software 2011 Top 10 Predictions* (IDC #226654, January 2011)
- *Worldwide Decision Management Software 2010–2014 Forecast: A Fast-Growing Opportunity to Drive the Intelligent Economy* (IDC #226244, December 2010)
- *Worldwide Business Intelligence Tools 2009 Vendor Shares* (IDC #223725, June 2010)
- *IDC's Software Taxonomy, 2010* (IDC #222023, February 2010)

Methodology

The IDC software market sizing and forecasts are presented in terms of packaged software revenue. IDC uses the term *packaged software* to distinguish commercially available software from custom software, not to imply that the software must be shrink-wrapped or otherwise provided via physical media. Packaged software is programs or codesets of any type commercially available through sale, lease, rental, or as a service. Packaged software revenue typically includes fees for initial and continued right-to-use packaged software licenses. These fees may include, as part of the license contract, access to product support and/or other services that are inseparable from the right-to-use license fee structure, or this support may be priced separately. Upgrades may be included in the continuing right of use or may be priced separately. All of these are counted by IDC as packaged software revenue.

Packaged software revenue *excludes* service revenue derived from training, consulting, and system integration that is separate (or unbundled) from the right-to-use license but does include the implicit value of software included in a service that offers software functionality by a different pricing scheme. It is the total packaged software revenue that is further allocated to markets, geographic areas, and operating environments.

The market forecast and analysis methodology incorporates information from five different but interrelated sources:

- **Reported and observed trends and financial activity.** This study incorporates reported and observed trends and financial activity in 2010 as of the end of February 2011, including reported revenue data for public companies trading on North American stock exchanges (CY 1Q10–4Q10 in nearly all cases).
- **IDC's *Software Census* interviews.** IDC interviews all significant market participants to determine product revenue, revenue demographics, pricing, and other relevant information.
- **Product briefings, press releases, and other publicly available information.** IDC's software analysts around the world meet with hundreds of software vendors each year. These briefings provide an opportunity to review current and future business and product strategies, revenue, shipments, customer bases, target markets, and other key product and competitive information.

- **Vendor financial statements and related filings.** Although many software vendors are privately held and choose to limit financial disclosures, information from publicly held companies provides a significant benchmark for assessing informal market estimates from private companies. IDC also builds detailed information related to private companies through in-depth analyst relationships and maintains an extensive library of financial and corporate information focused on the IT industry. We further maintain detailed revenue by product area models on more than 1,000 worldwide vendors.

- **IDC demand-side research.** This includes interviews with business users of software solutions annually and provides a powerful fifth perspective for assessing competitive performance and market dynamics. Direct conversations with technology buyers provide an invaluable complement to the broader survey-based results.

Ultimately, the data presented in this study represents IDC's best estimates based on these data sources as well as reported and observed activity by vendors and further modeling of data that we believe to be true to fill in any information gaps.

Synopsis

This IDC study provides a competitive analysis of the business intelligence (BI) tools market, with revenue and market share for the leading vendors for 2010 and with trends from 2008. Worldwide market size with regional segmentation for the Americas; Europe, the Middle East, and Africa (EMEA); and Asia/Pacific (AP) is also provided.

"In 2010, the BI tools market grew 11.4%, reflecting an improved economic environment and pent-up demand from 2009. The fundamental demand factors for BI software remain strong," says Dan Vesset, program vice president, Business Analytics Solutions.

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