

I D C D A T - A - G L A N C E



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Content Management – A Market on the Move

January 2009

Content management (CM) software builds, organises, manages, and stores collections of digital works in any medium or format. The software in this market includes document management, web content management, capture and image management, digital asset management, and records management. These tools ensure compliance and operational efficiencies through content workflow optimisation and process automation and they form the foundation or the infrastructure for knowledge management. In the first half of calendar year 2008 the content management market in Australia and New Zealand (ANZ) was valued at US\$44.1 million.

As organisations embrace the opportunities of the virtual world by reaching out to their partners, suppliers and customers, a "tsunami" of content is pushed onto the Web. Content based workflows and processes become increasingly mission critical while companies are challenged to reach compliance thresholds.

Market Trends

- The overall CM market is evolving to a more complete end-to-end integrated market through vendors' acquisitions and internal product developments and enhancements. Consolidation of the content management market has been a dominating trend over the past years with examples including IBM - FileNet, Oracle - Stellent, EMC - Documentum, HP - TOWER, OpenText - Captaris, amongst others. The wave of acquisitions is expected to improve the convergence of content management into other technology areas such as ERP, collaboration, storage and database.
- Compliance and litigation preparedness have been key drivers for the growth of the worldwide content management market over the past few years. This has resulted in strong interest in Records Management solutions – led by financial services firms and government agencies.
- At the same time, records management has been redefined as content of all types that can be considered as "records". What traditionally was limited to physical and electronic documents, today includes email, messaging, content in portals and team sites, and content in enterprise applications. Increasingly, the context of the content is an important part of the metadata that is captured and managed for all of these types of "record" including who created it and who uses it.
- Significant investments in web services APIs by content management vendors have resulted in extensible middleware platforms that include content integration and federated repository services, federated search capabilities, access and security, and other core capabilities lifting the overall value proposition of content management solutions.

- Workflows, auditing of documents trails and 'action alerts' are gaining traction in the region. As organisations mature and expand, IDC has noticed a growing need for solutions that monitor and manage increasingly complex processes and procedures. Workflow-enabled CM is gaining mindshare in organisations that need to adhere to compliance and stringent government audits and those that quest for operational efficiencies.

Market Accelerators

- The 'Digital Universe' is growing at an ever faster pace. IDC estimates that the world created 281 Exabytes of new information in 2007 and this "Content Tsunami" is forecast to grow to 1,800 Exabytes of new information in 2011. The magnitude of this content explosion will force organisations to apply adequate content management strategies.
- The need to support the digital media life cycle, from creation/authoring through transformation, reuse, and distribution, to storage and archival is driving adoption of content management systems that have specific support for rich media, such as audio and video.
- IDC research indicates that workflow-enabled CM and the automation of paper-based and document-based business processes are gaining interest from organisations targeting the reduction of operational inefficiencies - and in turn cost - during a time of economic downturn.
- Globalisation and the increasingly interconnected world of business require better control and management of organisation's information assets. The need to share information with partners, suppliers and customers has to be balanced by appropriate levels of control and protection of intellectual property - whether technical product information, drawings, contracts, brand assets and marketing content, or business documents and spreadsheets.
- Companies are continuing to move their business activities on the Web as they strive for broader market reach and lower cost of communications while strengthening their brand identity, enhance customer loyalty, and deliver new online services. More sophisticated Web content management capabilities are required to support rich interactive engagement experiences that combine digital media, HTML, and Web 2.0 interaction models and user interfaces.

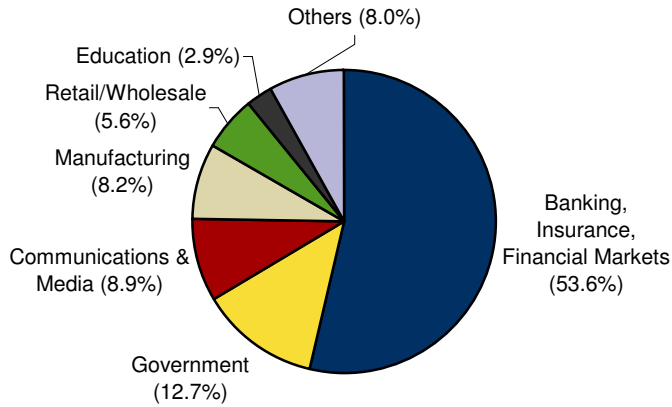
Adoption Trends

- IDC has recognised strong interest from the mid-market and departmental level for full-featured content management systems that integrate seamlessly with desktop productivity tools and offer strong workflow capabilities to drive down operational cost.
- Although content management remains to be largely driven by companies' regulatory compliance obligations, a growing number of engagements are initiated by organisations desire to enhance and reinforce brand, build customer loyalty, accelerate delivery of new products and services - hence, aiming for a competitive advantage.
- Invisible content management, meaning integrating content management systems behind the scenes, is increasingly becoming popular amongst businesses of all sizes. Combined with the trend towards "transactional" use cases, IDC expects to see a continued shift from building and securing repositories ("the vault") to integration of content into business processes - both by leveraging the intelligence in the content itself to improve workflows, and by automating content publishing according to workflows and business rules.
- On-Demand content management solutions have gained traction in recent times although still a very small proportion of the overall market. Nevertheless, the increasing number of "infrastructure less" offerings have grabbed the attention of many small and medium size companies who potentially could not afford these applications under the traditional "on premise" delivery model. Early adopters include media and marketing companies who need to share assets outside the firewall - whether with creative collaborators or with distribution partners that need access to brand assets. In many cases, these projects are funded out of

the operating expenses of departments – without the reliance on capital expenditure and/or IT support.

FIGURE 1

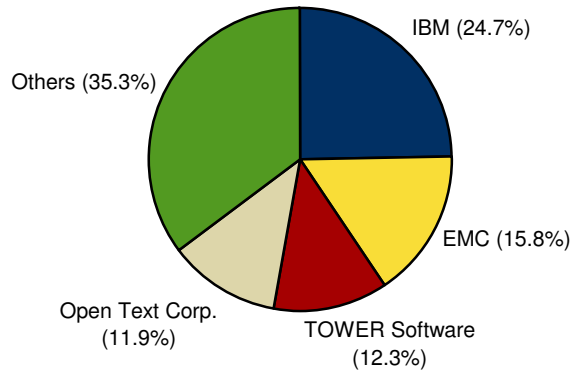
Content Management ANZ: Market Size by Industry, 1H 2008



Source: IDC Semi-Annual Software Tracker, 1H 2008

FIGURE 2

Content Applications ANZ: Market Share 1H 2008



Source: IDC AP Semi-Annual Software Tracker, 1H 2008

ABOUT THIS ANALYST

Ullrich Loeffler is Program Manager for IDC's software research unit in the Pacific region. In his role, Ullrich is responsible for management, coordination and further development of the software research programs across Australia & New Zealand.

In addition, Ullrich analyses the market for Information Management Solutions. His responsibilities include conducting vendor, business partner, and end-user studies and producing knowledgeable insights and analysis into dynamic and coherent information environments. This comprises all components of dynamic infrastructure, information and application platforms.

Ullrich is also a regular speaker at IDC and industry events across Australia and New Zealand and he is frequently quoted in IT and trade publications throughout the Asia/Pacific region.

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