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COMPETITIVE ANALYSIS

Worldwide Content Management 2012 Vendor Shares

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IDC OPINION

Worldwide revenue for the content management market was $5.1 billion in 2012, up 5.7% over 2011 overall. Growth drivers in 2012 included growing needs around information life-cycle management and governance; the desire to streamline document-intensive business processes using advanced capture, "content in context," and case management frameworks; and the adoption of modern, integrated digital marketing platforms to deliver personalized, optimized experiences across Web, social, and mobile touch points for increased customer engagement, loyalty, and conversion. We're also starting to see new patterns emerge to drive investment in content management such as enterprise cloud content collaboration and hybrid enterprise content management (ECM). In addition:

- The leader board remained unchanged from 2011. IBM continued to dominate, followed by OpenText, EMC, Microsoft, Oracle, and HP-Autonomy. The content management market remains fairly consolidated: As was the case last year, the top 3 vendors accounted for a little over a third of the market, the top 5 vendors held just under half, and the top 10 accounted for about two-thirds.
- The content management market continues to have a very long tail that is extremely fragmented. Innovative vendors in several segments posted very strong growth. In fact, vendor growth rates were all over the map, ranging from negative double digits to positive triple digits — testimony to the changing market dynamics and evolving customer needs in many areas.

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Content and Digital Media Technologies: Competitive Analysis

IN THIS STUDY

This study examines the content management market for the period from 2010 to 2012. Revenue and market share of the leading vendors are provided for 2012.

The vendor shares and competitive analysis contained herein update those found in *Worldwide Content Management 2011 Vendor Shares* (IDC #235506, June 2012). A 2013–2017 forecast for this market is being published in *Worldwide Content Management Software 2013–2017 Forecast* (IDC #241598, forthcoming).

Methodology

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

In addition, please note the following:

- The information contained in this study was derived from IDC's Worldwide Semiannual Software Tracker database as of April 19, 2013.
- 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, 2012* (IDC #235401, June 2012).

Content Management Market Definition

Content management software builds, organizes, 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. Content management forms the foundation or the infrastructure for knowledge management. Applications in this market include one or more of the following functions:

- Gathering and feeding documents and other media into collections via crawlers or other automated and/or manual means and performing metadata capture/enrichment, formatting, transformations, and/or conversion operations
- Organizing and maintaining information, including some or all of the following:
    - Indexing, cataloging, and/or categorizing information in the content management system
    - Building directories
    - Defining workflows for tracking documents and changes and sending alerts when action is required
    - Record keeping, auditing, and logging

- Updating and purging content
- Searching for information in the content management system (embedded tools may be provided)

- Ensuring document security by managing rights and permissions to create, edit, post, or delete materials; managing user access; and protecting intellectual property

SITUATION OVERVIEW

The Content Management Market in 2012

Our vendor-by-vendor bottom-up market model shows the content management market grew 5.7% in 2012, attaining $5.1 billion in software revenue. In fact, the growth rate from 2011 to 2012 was likely a little higher than this: We saw a 22% decline in HP's content management revenue in 2012; however, HP has stated publicly that it believes Autonomy overstated its revenue prior to acquisition (in 2011 and prior years). If and when Autonomy's revenue is publicly restated, IDC will revise its revenue estimates for HP in its Worldwide Semiannual Software Tracker and relevant market reports to reflect the restated revenue.

Drivers for growth in the content management market during 2012 included:

- Imperatives around information life-cycle management and governance, including defensible disposal
- The desire to streamline document-intensive business processes using advanced capture, "content in context," and case management frameworks
- Adoption of modern, integrated digital marketing platforms to deliver personalized, optimized experiences across Web, social, and mobile touch points for increased customer engagement, loyalty, and conversion
- New patterns that are emerging such as enterprise cloud content collaboration and hybrid ECM

In the enterprise, 2012 saw continued investment in large compliance-driven projects. Bringing enterprise content under better control is critical for reducing risk and containing the escalating costs related to storage and eDiscovery. Vendors reported strong customer interest in solutions for defensible disposal among enterprise buyers that are struggling to clean up legacy content on file servers, email servers, SharePoint, and other repositories. Leading vendors such as IBM, OpenText, EMC, Oracle, and HP all derive significant revenue from projects that are tied to compliance and/or litigation preparedness. Although compliance has been less of a driver for Microsoft's growth, information governance has become an important topic for SharePoint, and it's a need that several content management leaders have sought to fill.

The integration of enterprise content with enterprise applications to put content to work in the context of a business process was another area of continued investment in 2012. As noted last year, these integrations give organizations end-to-end process visibility and help them realize the full vision and value of ECM (broad deployment, fully governed content). Vendors that are aggressively pursuing this opportunity include OpenText in partnership with SAP, Oracle, and Lexmark–Perceptive Software in partnership with Microsoft around Dynamics, Laserfiche, and Hyland.

2012 also saw continued strong customer adoption of case management frameworks that marry content management to BPM and analytics for rapid development of case-based applications. Enterprises have countless document-intensive business processes that remain automated today — resulting in lack of visibility, higher costs and errors, inefficiency, longer cycle times, lower customer satisfaction, and so forth. They need a rapid application development platform they can use iteratively to automate all of these processes. This is an attractive opportunity that EMC and IBM have pursued in the past few years, and we've seen most ECM vendors make a BPM buy at this point to follow suit and deliver advanced workflow and address case-based patterns.

2012 also saw ECM vendors continue their pivot away from platforms — or perhaps more aptly, beyond platforms — to business solutions. IBM and EMC are offering a growing list of industry applications that are built atop their platforms. We expect to see this trend gather momentum. We've seen this same evolution play out in the history of transactional applications such as ERP, HRM, and CRM systems — that is, the evolution from custom to packaged solutions. The combination of a standardized platform that can be leveraged for custom projects (where no packaged solution is available) and applications built atop that platform where market demand encourages investment is a win-win for both vendors and customers. Of course, all of the ECM vendors heading down this path are also soliciting partners to build out more of the applications that customers require, and that should further help fuel spend on case management frameworks for a long time to come. At any rate, enterprise buyers — especially line-of-business (LOB) buyers, which vendors are increasingly targeting — should respond well to these packaged solutions, even though there will be some customization/configuration required. At a minimum, vendors are doubling down on an industry marketing focus that should resonate well with LOB buyers.

Capture, classification, and intelligent extraction are all key to the aforementioned initiatives and use cases, and they continued to be areas of customer investment in 2012, although performance was uneven across vendors. Generally, we are seeing increased interest from customers in solutions that offer autolearning capabilities — that is, solutions that don't require large training sets. Customer expectations are rising: Enterprise customers are looking for higher rates of straight-through processing with minimal training.

Once again, Web content management (WCM) was a very strong growth segment within the overall content management market as marketing budgets continued to shift to the online channel(s). Large vendors that are aggressively pursuing the Web experience management (WEM) opportunity include Adobe, with its Omniture and Day assets; IBM, leveraging its growing portfolio of Smarter Commerce solutions (Tealeaf being the latest addition); HP-Autonomy, with its IDOL and MediaBin assets; SDL, which has brought together a broad portfolio of WEM capabilities through acquisition and leverages its translation network; Sitecore, which has grown quickly among .NET buyers; Oracle, with its FatWire and ATG ecommerce assets; and OpenText, with its Vignette asset. But this is just the tip of the iceberg: There are lots of other WCM vendors that have good products and growing customer bases. Vendors are in a veritable arms race to provide all of the capabilities marketers need for the digital age.

2012 saw another year of strong growth in digital asset management (DAM) revenue, particularly for marketing and brand management use cases. We saw a reprise of "DAM lite" as WCM vendors endeavored to provide more robust support for rich media and for asset transformation. There is potential for greater synergy between WCM and DAM going forward (this would benefit vendors such as Adobe, OpenText, and HP, which offer both). We expect this trend will gain momentum in 2013 because of the growing needs for rich media publishing in an ever-widening array of formats.

Performance of Leading Vendors in 2012

Table 1 displays 2010–2012 worldwide revenue and 2012 growth and market share for content management vendors. Vendor performance was very uneven in 2012, and growth rates were all over the map — a reflection of differing growth rates by subsegment, specific vendor execution challenges, product release time frames, and competitive skirmishes and market share battles.

The top 5 content management vendors (which accounted for a little under half of total market revenue in 2012) collectively posted just 4.4% growth. However, IBM — which has dominated the content management market ever since it acquired FileNet in 2006 — was up double digits once again, posting revenue growth of 12.9% and adding another full percentage point to its market share (now 17%), further distancing itself from the rest of the pack. IBM's information life-cycle management and governance solutions have been well received by large enterprises that have a large legal case load, a tremendous amount of structured and unstructured data, and a large regulatory compliance burden. IBM's defensible disposal offering is an important differentiator in these deals.

OpenText and EMC held steady in second and third place, respectively. OpenText continues to do well in SAP accounts thanks to its reseller relationship with SAP and the joint investments in integration that the two companies have made over the past several years. Revenue on the enterprise content management side of OpenText's business has been much stronger than on the Web content management and digital asset management side (OpenText's recruitment of Kevin Cochrane from Adobe may help change this). EMC was basically flat in 2012; however, IIG unleashed the biggest barrage of new products in its history at its November 2012 Momentum user conference, and we expect to see a return on this investment in 2013.

Microsoft continued to grow its content management revenue, although the overall SharePoint revenue growth rate has eased. We believe growth is coming primarily from seat expansion at this point. Still, Microsoft posted above-average growth of 10%. Oracle's content management revenue was flat in 2012, down significantly from the 14.3% growth it achieved in 2011 subsequent to the 11g release; new products in the queue for 2013 should help reinvigorate growth.

TABLE 1

Worldwide Content Management Software Revenue by Vendor, 2010–2012 ($M)

	2010	2011	2012	2012 Share (%)	2011–2012 Growth (%)
IBM	654.4	765.6	864.4	17.0	12.9
OpenText	497.4	523.6	498.8	9.8	-4.7
EMC	441.1	422.8	415.7	8.2	-1.7
Microsoft	310.8	354.3	389.7	7.7	10.0
Oracle	245.4	280.5	281.9	5.6	0.5
HP	276.8	308.6	240.6	4.7	-22.0
Hyland Software	153.0	185.6	208.2	4.1	12.2
Adobe	47.4	90.6	154.8	3.1	70.9
Kofax	164.9	171.1	142.3	2.8	-16.8
Laserfiche	102.1	117.0	136.6	2.7	16.7
Lexmark	90.1	103.4	113.9	2.2	10.1
SDL International	59.4	78.4	97.4	1.9	24.2
Sitecore	44.4	64.9	81.0	1.6	24.8
ASG	90.4	85.9	78.5	1.5	-8.6
ReadSoft	62.2	75.0	76.1	1.5	1.5
Box	10.6	25.5	65.5	1.3	157.0
Nuance Communications Inc.	60.4	63.5	64.3	1.3	1.2
Alfresco	25.3	35.6	44.2	0.9	24.4
EPiServer	30.2	31.0	34.8	0.7	12.1
Acquia	3.8	12.0	28.6	0.6	138.5
EVER TEAM	23.5	27.0	27.2	0.5	0.7
Top Image Systems	15.3	22.0	23.0	0.5	4.5
SunGard	19.9	21.5	21.7	0.4	1.0
Actuate Corp.	14.2	18.0	20.0	0.4	11.0
Newgen Software Technologies Ltd.	9.8	14.9	19.8	0.4	32.8
Fujitsu	15.0	15.9	15.7	0.3	-1.3
CoreMedia	14.6	15.1	15.0	0.3	-0.8
Bottomline Technologies	14.2	14.7	14.8	0.3	0.4
Software Innovation	11.6	13.3	14.4	0.3	8.7

TABLE 1

Worldwide Content Management Software Revenue by Vendor, 2010–2012 ($M)

	2010	2011	2012	2012 Share (%)	2011–2012 Growth (%)
e-Spirit AG	9.3	13.8	14.0	0.3	1.6
Fabasoft Group	10.0	10.5	11.0	0.2	5.0
SpringCM	7.1	9.0	10.2	0.2	13.3
NetDocuments	8.0	9.0	10.0	0.2	11.1
DotNetNuke	2.5	4.5	7.8	0.2	72.3
Subtotal	3,545.2	4,004.0	4,241.9	83.7	5.9
Other	809.6	794.8	828.8	16.3	4.3
Total	4,354.8	4,798.8	5,070.6	100.0	5.7

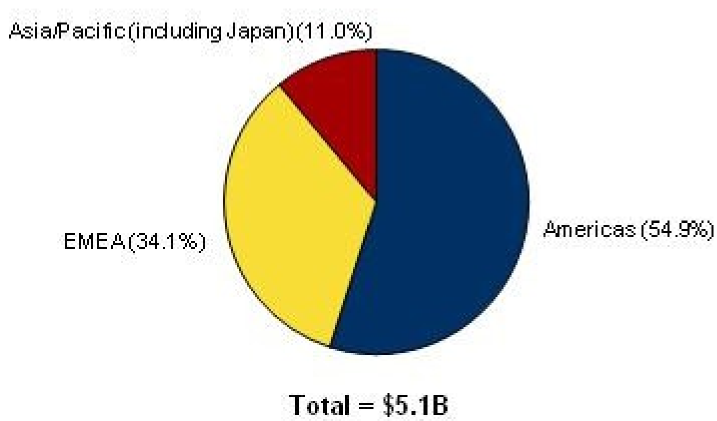
Source: IDC, June 2013

Performance by Geographic Region in 2012

The Americas accounted for 54.9% of the content management market, followed by EMEA with 34.1% and Asia Pacific with 11% (see Figure 1).

FIGURE 1

Worldwide Content Management Software Revenue Share by Region, 2012



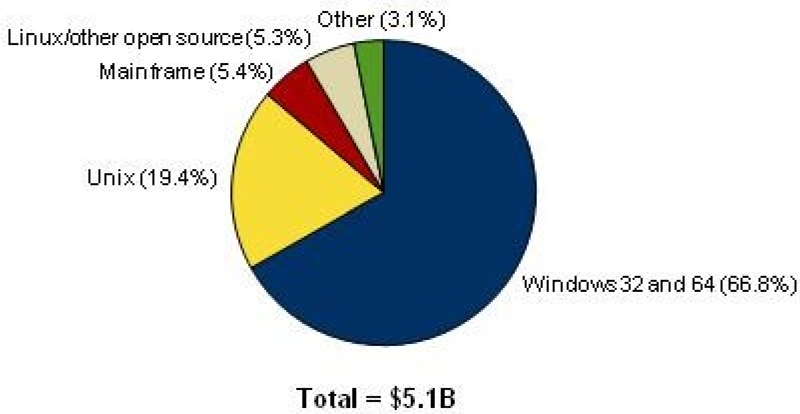
Source: IDC, June 2013

Performance by Operating Environment in 2012

Windows, with 66.8% share, continues to be the platform of choice for content management, followed by Unix with 19.4% (see Figure 2).

FIGURE 2

Worldwide Content Management Software Revenue Share by Operating Environment, 2012



Source: IDC, June 2013

FUTURE OUTLOOK

We expect to see the content management market post stronger growth in the coming years.

As we noted last year, in the enterprise content management arena, customers are still far from broadly deployed, and a large percentage of the enterprise's documents still exist in paper form. Customers are only part of the way along their journey to well-managed content in context today. At the same time, most organizations are well aware of the need to manage the rapidly growing volumes of unstructured information that constitutes the lion's share of the enterprise's information asset. Fortunately, the ROI from content management projects that deliver business process improvement and that improve information governance can be very compelling.

We also expect to see adoption of enterprise content management continue to broaden: Vendors that target midmarket and smaller enterprises are doing well, especially those that have established vertical market expertise. Similarly, over the next few years, we should see high-end capture capabilities begin to move downmarket and into the mainstream.

And finally, in the enterprise content management arena, we're seeing tremendous growth in cloud content collaboration. This represents a new opportunity for ECM, both from a platform perspective (platforms for SaaS-based content apps and platforms for mobile content-centric apps) and from a collaboration perspective (ability to externalize content from the enterprise repository). Although new market entrants here are potentially disruptive, we believe enterprise content management solutions are synergistic, and we have already seen the leading ECM vendors develop or acquire file sync and share solutions. We believe this will give birth to a new wave of cloud content management adoption, some of which will be purely cloud and some of which will be hybrid.

As we noted last year, Web content management is continuing to evolve into Web experience management, which encompasses personalization, targeting, testing, analytics, social marketing, advertising and audience optimization, and other online marketing capabilities, along with community-building and social features and the ability to publish to mobile and other devices. (Web experience management, in turn, is a part of the broader customer experience management domain.) Our survey research continues to show that companies are investing strongly in their Web sites, and Web content management vendors will continue to be beneficiaries of the major shift to digital marketing that is well underway.

Finally, as we noted last year, we expect to see the shift to digital marketing continue to drive DAM growth in coming years. Adobe, IBM, and Oracle are all vying to provide the technology stack for marketing and sell to the CMO, who controls a growing share of the technology spend in larger organizations. We anticipate additional merger and acquisition activity in this space.

ESSENTIAL GUIDANCE

As we've noted in past studies, the content management market is a market with a very long tail: We track more than 300 vendors in this market. There are dozens of small vendors that offer solutions tailored to a specific vertical market, geographical region, customer size, and so forth. Midmarket customers may be able to find a solution that is geared specifically to their needs, saving on implementation and customization cost and effort.

As we've also noted, larger enterprises will continue to seek out solutions that integrate with their existing IT investments in infrastructure and enterprise applications and that offer more customizable capabilities. Standardizing on a limited list of vendors helps control costs and enables the organization to leverage common skill sets across multiple content applications. Standardization shouldn't overrule business needs, however, especially in the area of Web content management or digital asset management, where a best-of-breed solution may be the best fit. Where investments are about accelerating time to market, building brand, and enhancing customer loyalty, business needs should continue to drive product selection.

As we've also noted, on the enterprise content management side, organizations need to define how they will provide basic content services to all of their information workers and formulate strategies for migrating content off file systems and other unmanaged content stores to managed content repositories, including syncing content between team sites and those repositories. The growing adoption of online file sharing/collaboration solutions that enable content to be shared with external users (outside the firewall) and accessed from mobile devices (smartphones and tablets) is a response to the need for basic content services and highlights the importance of connecting content to the social graph and to collaboration tools. Customers should ask potential content management suppliers about their strategies for online file sharing and hybrid ECM. Users will continue to self-serve if these capabilities aren't provided by IT — opening the door to new information management challenges as content migrates to a variety of public cloud offerings.

Customers need to consider how they will put social media capabilities to work to help their information workers quickly locate relevant content without endless and potentially fruitless searches and also how they will manage social content for governance, compliance, and eDiscovery. Social media has become an important means of discovering high-value content within the enterprise — and not just the content itself but also the experts who create it. The social context of content dramatically enriches the metadata associated with the content, and activity streams become another user interface that reaches into the repository. Innovative organizations are proactively encouraging social media as a way to enhance information sharing and knowledge transfer within the enterprise and as a means of sharing content with stakeholders outside the firewall.

We continue to advise customers to streamline their document- and paper-intensive business processes through the use of business process management solutions combined with content management and capture solutions. In some cases, customers can acquire packaged (content-centric) applications that match up well with their business requirements, either from their existing content management vendor or from the vendor's partners. In other cases, where appropriate packaged solutions don't exist, customers should look to vendors that provide a case management framework for rapid application assembly. Capture enabling the organization's enterprise applications should be a priority wherever paper remains prevalent. For high-volume paper-based processes, advanced capture solutions can entirely replace data entry (save for exception handling) — yielding a far greater return than the traditional capture-assisted data entry strategy.

On the Web content management front, as we've noted, in the past, it's been fairly common to see an organization switch vendors when undertaking a major Web site refresh if there's a better solution for its current and planned needs. As vendors assemble an integrated marketing stack, this may become a less viable strategy going forward — at least for larger enterprises — as a greater share of the value lies in the integrated stack that today's digital marketer requires — particularly at the high end of the market. This makes a thorough product evaluation process even more important. Major brands and other enterprises that seek to deliver strongly differentiated experiences will seek out innovators that can stay ahead of the pack and anticipate future needs. Those with less demanding needs can afford to choose a "fast follower" and potentially save on costs as leading-edge capabilities become commoditized. As noted previously, the content management market is chock-full of small vendors with specialized solutions, and the Web content management segment is no exception: Some vendors specialize on portal and ecommerce integration, while other vendors focus on the needs of smaller and medium-sized organizations in specific verticals. Regardless, we recommend that customers factor in their broader requirements for Web experience management when choosing a WCM solution.

In the digital asset management arena, we've seen vendors start to explicitly target the brand management/marketing use cases, and this will be a boon for buyers as brand management applications are easier to adopt than full-on enterprise DAM implementations have been. Adobe is the market disrupter here as it seeks to unify the workflows between marketing and the creative team and between marketing and its agencies.

Finally (and we've given this recommendation before), as a fairly mature market that is continuing to consolidate, we can expect to see ongoing merger and acquisition activity in the content management market as vendors buy out competitors or acquire adjacent technologies to expand their solution footprint. Smaller vendors should proactively partner to help insure their future should the next round of acquisitions target their category. The major platform vendors, which have the deepest pockets, have naturally been the most active acquirers in the past, but vendors that are moving upmarket to challenge the leaders have become more active acquirers over the past couple of years. Both will look first to their ISV partner network for attractive, pre-integrated solutions as potential candidates.

LEARN MORE

Related Research

- *Worldwide Content Management Software 2013–2017 Forecast* (IDC #241598, forthcoming)
- *IDC's Software Taxonomy, 2012* (IDC #235401, June 2012)
- *Worldwide Content Management 2011 Vendor Shares* (IDC #235506, June 2012)
- *Worldwide Content Management Software 2012–2016 Forecast* (IDC #235575, June 2012)

Methodology

The IDC software market sizing and forecasts are presented in terms of commercial software revenue. IDC uses the term *commercial software* to distinguish commercially available software from custom software. Commercial software is programs or codesets of any type commercially available through sale, lease, rental, or as a service. Commercial software revenue typically includes fees for initial and continued right-to-use commercial 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 commercial software revenue.

Commercial software revenue *excludes* service revenue derived from training, consulting, and systems 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 commercial software revenue that is further allocated to markets, geographic areas, and operating environments. The worldwide software market includes all commercial software revenue across all functional markets or market aggregations. For further details, see *IDC's Software Taxonomy, 2012* (IDC #235401, June 2012).

The software revenue forecasts presented in this study represent IDC's best estimates and projections based on the following:

- Top-down forecast growth rates by IDC worldwide market analysts
- Current U.S. dollar exchange rates as of 4Q12

Bottom-up/company-level data collection for calendar year 2012 began in January 2013 with in-depth vendor surveys and analysis to develop detailed 2012 company models by market, geographic region, and operating environment. This activity will form the basis of vendor share, updated forecast, and competitive analysis studies that will be published later in the year.

Historical Market Values and Exchange Rates

Historical market values presented here are as published in prior IDC documents based on the market taxonomies and current U.S. dollar exchange rates existing at the time the data was originally published. For markets other than the United States, these as-published values are therefore based on a different exchange rate each year. Please refer to IDC's regional research studies containing historical forecasts for multiple countries for more accurate regional growth in local currencies.

Synopsis

This IDC study provides vendor-specific revenue and market shares for the leading content management vendors for the 2010–2012 period.

"The content management software market — including document management, capture and image management, Web content management, digital asset management, and records management — grew 5.7% in 2012 driven by compliance and information governance, the need to put content to work in the context of the business process, and the rise of digital marketing," said Melissa Webster, program vice president, Content and Digital Media Technologies at IDC. "We expect to see the content management market continue to do well in coming years in all of these areas and post even better growth."