

Market Share

Worldwide IT Operations Management Software Market Shares, 2019: Strong Growth Ahead of COVID-19 Disruption

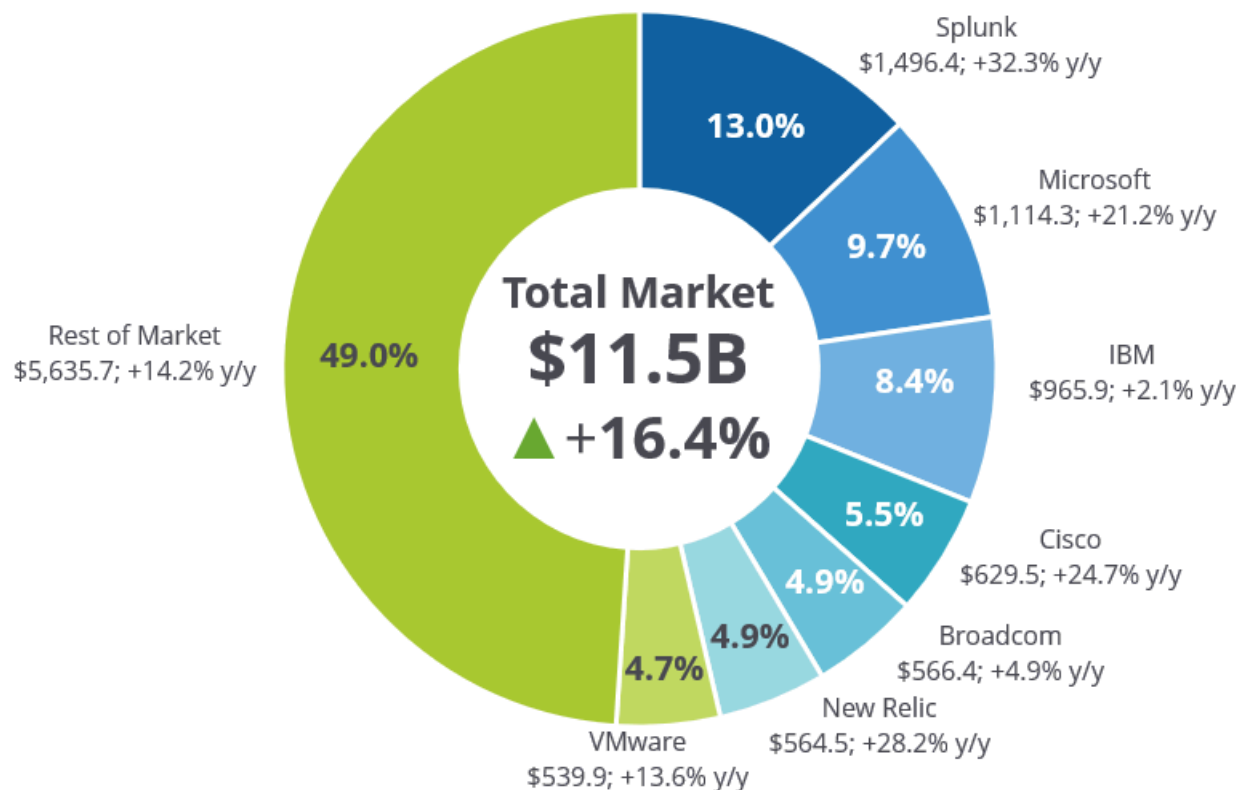
Tim Grieser

Stephen Elliot

IDC MARKET SHARE FIGURE

FIGURE 1

Worldwide IT Operations Management Software 2019 Share Snapshot



Note: 2019 Share (%), Revenue (\$M), and Growth (%)

Source: IDC, 2020

EXECUTIVE SUMMARY

This IDC study provides a competitive analysis of the worldwide IT operations management (ITOM) software market for calendar year 2019. For details of the software and SaaS solutions included in this functional market, see the Market Definition section and refer to *IDC's Worldwide Software Taxonomy, 2020* (IDC #US45718419, January 2020) for details. The study includes the worldwide market revenue and growth rate for the total market in 2019 as well as vendor revenues, market shares, and growth rates of the leading vendors. A three-year history showing vendor revenue data and trends for 2017-2019 is provided. Note that this study is based on pre-COVID-19 data.

The worldwide ITOM software market reached \$11.5 billion in 2019, strong growth of 16.4% from 2018, measured in current currency. Refer back to Figure 1 for a summary snapshot of the total market and leading market share vendors in 2019. Refer to Table 1 for a detailed list of vendors active in this market. Refer to Figure 2 for a comparison of market revenues for 2017-2019 in constant currency versus current currency. Refer to Figure 3 for a snapshot of 2019 market revenue by geographic region. Refer to Figure 4 for a summary of revenue by public cloud services and on-premises solutions.

This IDC study provides worldwide IT operations management software market share data for 2019.

According to Tim Grieser, research vice president, IT System and Operations Management Software, IDC, "The worldwide IT operations management software market achieved strong growth in 2019 driven by the need to monitor, manage, and optimize end-to-end performance and availability of hybrid systems and applications as organizations increasingly adopt digital business initiatives requiring a consumer-grade experience for end users."

ADVICE FOR TECHNOLOGY SUPPLIERS

Digital business is driving a wide variety of applications, business services, and data sources deployed on diverse platforms including on-premises, private cloud, hybrid, public cloud, and multicloud environments. These facilities are being accessed directly by end users using a variety of handheld and mobile devices. Providing competitive consumer-like responsiveness to end users without slowdowns, interruptions, or crashes is a critical success factor for IT organizations to meet ongoing digital business imperatives. IT organizations are faced with increased challenges driven by the growing adoption of microservices and container-based technologies as well as the need for increased speed in applications delivery and deployment.

The sphere of IT operations management can encompass all the previously mentioned environments. Conversations with infrastructure and operations teams reveal some critical decision points as they modernize their management tools. These points include:

- Teams prefer consistent views and operations that cross environments so that, for example, monitoring solutions appear the same for infrastructure, applications, and logs. This consistency helps users make meaningful comparisons between environments such as applications performance on premises versus performance in the cloud.
- Multiple data formats, types, varieties, and sources need to be brought into a central model to improve problem identification and resolution accuracy through advanced root cause analytic models. Emerging AI and ML methods need to drive event-triggered, policy-based automated actions across any cloud environment.

- Management tools are able to work with agile and DevOps processes and organizational constraints, as the need for data access and sharing across teams increases as traditional I&O roles transform and change.
- Adjusting to new software-defined infrastructure and APIs allows for deeper data and application-level visibility across hardware infrastructures.
- The integration across tools that reside in public and private cloud environments enables deeper and more end-to-end service-centric levels of performance management and cost transparency for composite services that utilize multiple application and cloud architectures.
- Management software must be able to support analytics capabilities to more quickly identify the root causes of problems and take proactive measures to prevent impending problems from impacting users. Currently available software technology can take in and process enormous volumes of both structured and unstructured machine-generated data.
- Automation of technology processes and the orchestration of multiple processes are critical and increasingly required to enable scale for I&O teams as software delivery cycles increase.
- Machine learning and advanced analytics can provide automated baselining, dynamic thresholding, anomaly detection, event consolidation and correlation, and predictive alerting. Cognitive/AI capabilities are increasingly being applied to such functions as natural language interfaces and pattern recognition. These capabilities provide added dimensions for users to help better understand where issues are occurring or are likely to occur in the future.
- SaaS delivery is a growing point of interest for I&O teams as they consider the level of overhead they are willing to support and the efficient delivery of certain ITOM capabilities that SaaS offers.
- Roles-based staff and executive dashboards are created with design thinking methods and drive the increasing level of collaboration between I&O and development teams such as DevOps driving teamwork, faster cycle times, and in context dashboards for different stakeholders.
- Teams perform integrated analysis of data pools across traditionally separate IT silos from across networking, storage, databases, and applications that transcend traditional and modern (e.g., microservices, containers, functions as a service).
- The emergence and adoption of Kubernetes is a de facto standard for container orchestration strategy, and the early development and interest of service mesh technology have growing mindshare in most enterprise IT organizations.

ITOM tools are being seen by savvy IT executives as a way to embed the competitive advantages of speed and quality, as such investments continue to address traditional IT environments and modern application architectures. The reality is that both environments are critical to business success.

MARKET SHARE

Table 1 displays 2017-2019 worldwide revenue and market share leaders for IT operations management software. According to IDC estimates, worldwide IT operations management software revenue grew by 16.4% to reach \$11.5 billion in 2019. Splunk was the market revenue and market share leader in 2019 with \$1.5 billion in revenue and 13% market share. Microsoft was second with \$1.1 billion in revenue and 9.7% share. IBM was third with \$965.9 million in revenue and 8.4% share. See Table 1 for a list of vendors with total revenue of at least \$10 million in IT operations management software in 2019.

TABLE 1**Worldwide IT Operations Management Software Revenue by Vendor,
2017-2019 (\$M)**

	2017	2018	2019	2019 Share (%)	2018–2019 Growth (%)
Splunk	808.0	1,130.7	1,496.4	13.0	32.3
Microsoft	716.5	919.2	1,114.3	9.7	21.2
IBM	904.5	945.8	965.9	8.4	2.1
Cisco	342.8	504.9	629.5	5.5	24.7
Broadcom	558.3	540.1	566.4	4.9	4.9
New Relic	326.0	440.4	564.5	4.9	28.2
VMware	394.5	475.4	539.9	4.7	13.6
BMC	474.3	513.1	536.1	4.7	4.5
ServiceNow	169.0	309.6	444.2	3.9	43.5
Dynatrace	332.9	337.5	424.0	3.7	25.6
Micro Focus	271.2	450.4	388.0	3.4	-13.9
Datadog	100.8	198.1	362.8	3.2	83.2
Fujitsu	239.1	266.1	277.4	2.4	4.2
Hitachi	211.1	224.3	235.7	2.0	5.1
SolarWinds	184.0	207.9	230.5	2.0	10.9
NEC	152.2	158.5	166.6	1.4	5.1
Dell Technologies	130.6	135.9	143.3	1.2	5.5
Quest Software	124.5	131.1	135.8	1.2	3.6
Riverbed	119.8	124.9	128.3	1.1	2.7
Zenoss	88.3	112.2	122.6	1.1	9.3
Oracle	82.1	103.9	117.5	1.0	13.2
Elastic	43.9	72.3	110.5	1.0	52.8

TABLE 1**Worldwide IT Operations Management Software Revenue by Vendor,
2017-2019 (\$M)**

	2017	2018	2019	2019 Share (%)	2018–2019 Growth (%)
Turbonomic	73.8	100.5	112.1	1.0	11.5
Compuware	81.1	77.3	81.1	0.7	4.9
ScienceLogic	74.9	79.7	80.8	0.7	1.5
Amazon Web Services	36.5	46.6	72.3	0.6	55.1
ActiveOps	31.2	45.2	69.0	0.6	52.6
Huawei	28.1	46.8	68.2	0.6	45.5
Integrated Research	62.7	62.7	62.4	0.5	-0.3
Virtana	35.1	46.3	62.3	0.5	34.5
Nomura Research Institute	56.6	58.8	61.4	0.5	4.6
Zoho	47.3	50.6	55.7	0.5	10.1
UNICOM Systems	49.0	51.9	52.9	0.5	2.0
SAP	48.6	50.0	52.2	0.5	4.4
Densify	38.9	41.1	49.9	0.4	21.5
HelpSystems	43.6	45.2	46.1	0.4	2.1
ASG Technologies	36.9	37.5	38.0	0.3	1.2
Sumo Logic	37.0	37.1	37.6	0.3	1.3
Google	0.8	11.2	36.2	0.3	223.9
Snow Software	25.8	30.8	31.3	0.3	1.5
Kaseya	20.7	22.5	24.3	0.2	8.0
Egenera	20.6	22.1	23.7	0.2	7.3
HCL Technologies	5.5	17.8	22.1	0.2	24.4
Syncsort	14.8	16.5	19.7	0.2	19.5

TABLE 1**Worldwide IT Operations Management Software Revenue by Vendor, 2017-2019 (\$M)**

	2017	2018	2019	2019 Share (%)	2018–2019 Growth (%)
Crownpeak	11.3	13.6	17.6	0.2	29.5
Veeam	16.3	17.3	17.5	0.2	1.6
TeamViewer	10.0	13.0	17.0	0.1	30.8
Flexera	7.8	11.7	16.2	0.1	38.6
H3C	7.2	8.9	16.1	0.1	79.7
NetScout	13.6	14.9	14.2	0.1	-4.5
SAS	14.2	14.2	14.0	0.1	-1.4
Ultrapower	9.8	11.4	13.5	0.1	18.1
Inspur	5.8	8.6	12.7	0.1	47.4
Other	652.8	476.0	514.1	4.5	8.0
Total	8,392.7	9,890.2	11,512.7	100.0	16.4

Source: IDC, 2020

WHO SHAPED THE YEAR

Splunk was the market revenue and market share leader for 2019 in ITOM. Splunk grew by 32.3% from 2018, achieving the largest increase in market revenue among ITOM vendors. Splunk's continued rapid growth is based on log management and analytics with big data capture, indexing, management, search, and visualization capabilities that extend across a wide variety of machine-generated data sources including metrics and logs. Analytics including correlation of event logs assist users in analyzing and discovering root causes of service-impacting events. Splunk can be deployed on premises (Splunk Enterprise) or via SaaS (Splunk Cloud). Splunk supports visualization, machine learning-based analytics (Splunk ITSI) and prepackaged content for a variety of use cases, including IT operations and applications management. Splunk has introduced basic server monitoring capabilities with Splunk Insights for Infrastructure. The company has recently acquired SignalFx for monitoring of modern application and container environments. Splunk elevated its branding, marketing message, and technology positioning with its Data-to-Everything Platform strategy to empower customers to unlock the value of their data, and use data to help answer questions, make decisions, and trigger actions.

Microsoft supports a wide range of IT operations management capabilities. The long-standing Microsoft System Center products include System Center Operations Manager (SCOM) for monitoring and reporting together with individual management software products for distributed systems. Microsoft has been developing SaaS-based management offerings deployed on Microsoft Azure. Azure Monitor provides consolidation of multiple cloud-based management services and tools including some formerly branded as OMS. Azure Monitor capabilities include collecting and analyzing log and metrics data, customizable dashboards, and graphical views with alerting capabilities.

IBM has a long-standing broad-based operations management software portfolio that provides monitoring and diverse system and application performance and event management capabilities across a wide variety of platforms including distributed systems and mainframes with recent emphasis placed on managing private and hybrid cloud environments. IBM has solutions for hybrid IT service management that can be accessed through online portals from IBM Marketplace or used on premises. Representative offerings through IBM Marketplace include IBM Cloud Application Performance Management, IBM Operations Analytics, IBM Workload Automation, IBM Control Desk on Cloud, and IBM Cloud Event Management offering incident management and automation from the cloud. IBM has introduced IBM Cloud App Management, a cloud-native containerized solution deployed on IBM Cloud Private that can monitor both on-premises and cloud infrastructures and can take advantage of existing deployed agents. IBM developed Cloud Paks that are enterprise-ready, containerized software solutions that enable customers to move core business applications to any cloud.

IBM's acquisition of Red Hat in July 2019 brings a family of management software products for managing Red Hat Enterprise Linux environments. These include Red Hat Insights, Red Hat Satellite, and Red Hat CloudForms. Red Hat Ansible provides comprehensive automation capabilities. Red Hat's strategy is focused on managing open, cloud-native environments across on-premise, private, and public clouds. Red Hat Ansible is being more broadly adopted and packaged across IBM assets where automation is required by customers.

MARKET CONTEXT

Requirements for IT operations management software are being driven by the need to manage applications and infrastructure in dynamic environments supporting digital and customer-facing applications. IT organizations are faced with managing multiple environments ranging from traditional on-premises systems with virtualized infrastructures to private, public cloud, hybrid, multicloud, and containerized deployments. Managing performance, availability, and service quality across the rapidly evolving technology stack and evolving modern applications continues to be an important requirement, although difficult to achieve. Focusing on managing systems and applications to optimize the end-user experience is a major priority as fast performance and 100% uptime are table stakes for digital business success.

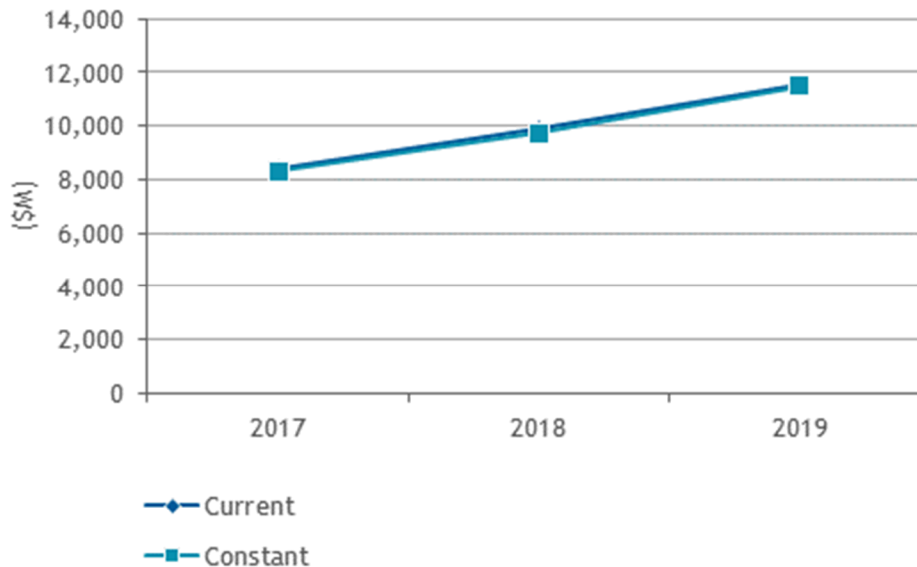
Key drivers and inhibitors that can impact vendors in this market include rate of cloud adoption, changes in software licensing and spending, and variations in currency exchange rates.

IDC includes constant currency measures in our market share documents to provide an indication of overall market developments excluding the effects of fluctuating exchange rates (see Figure 2). The valuation of the U.S. dollar was relatively stable over the course of 2017 and 2018 compared with most other currencies and continued to be stable in 2019. The valuation of the U.S. dollar compared with most other currencies dropped slightly in 2019 compared with 2018.

The 16.4% current currency or "as reported" growth in 2019 translates, when ignoring the impact of exchange rates, to constant currency growth of 17.9%. This is an important distinction as readers of this document digest its content. Considering constant currencies, IDC is seeing stronger growth in software revenue than what the current currency revenue estimates indicate.

FIGURE 2

Worldwide IT Operations Management Software Revenue in Current and Constant Currency, 2017-2019



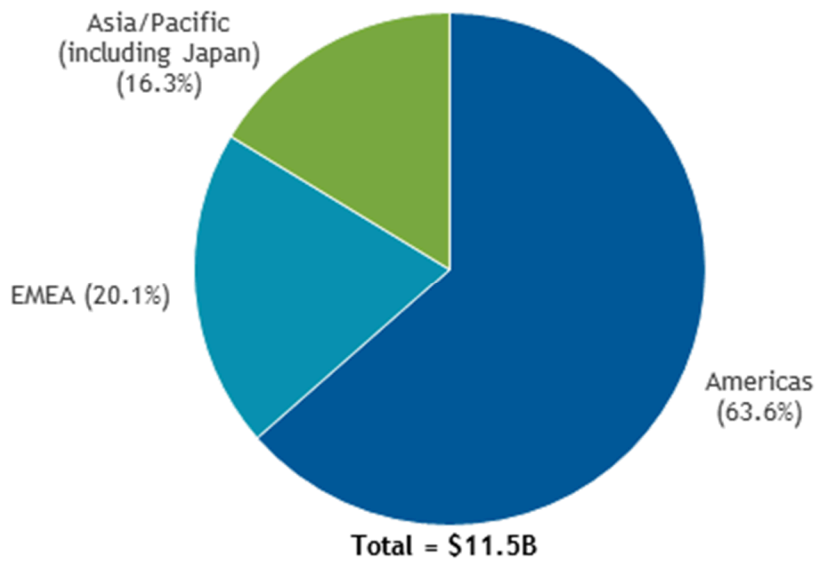
Source: IDC's Worldwide Semiannual Software Tracker, April 2020

Worldwide IT Operations Management Software Revenue Snapshot by Region, 2019

Vendor revenue in this market was impacted by regional conditions. Figure 3 provides a snapshot of the market in 2019 by geographic region. The Americas region had the largest share, with 63.6% of the worldwide IT operations management software revenue. Asia/Pacific (including Japan) realized 16.3%, and EMEA had 20.1%.

FIGURE 3

Worldwide IT Operations Management Software Revenue Share by Region, 2019



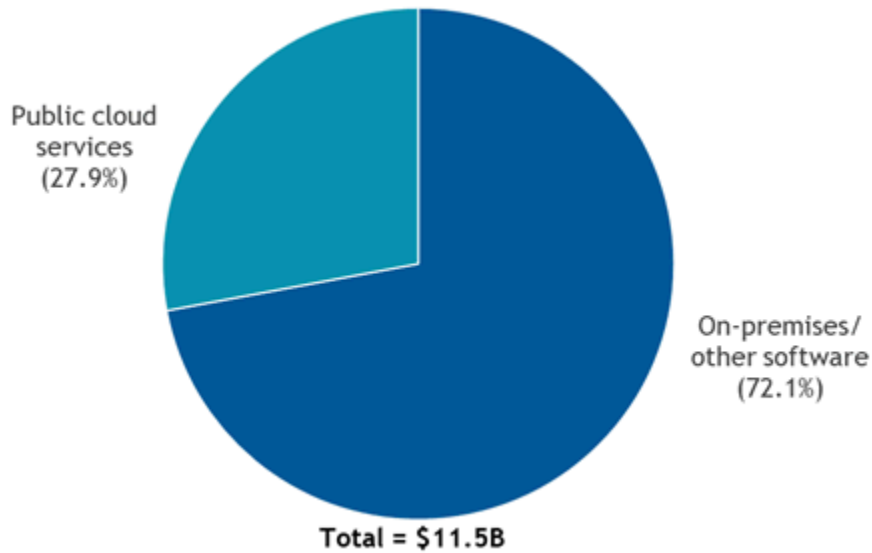
Source: IDC's Worldwide Semiannual Software Tracker, April 2020

Worldwide IT Operations Management Software Revenue Snapshot by Deployment Type, 2019

Figure 4 provides a snapshot of the market in 2019 by deployment type. On-premises/other software had the largest share, with 72.1% of the worldwide IT operations management software revenue. Public cloud services had 27.9%.

FIGURE 4

Worldwide IT Operations Management Software Revenue Share by Deployment Type, 2019



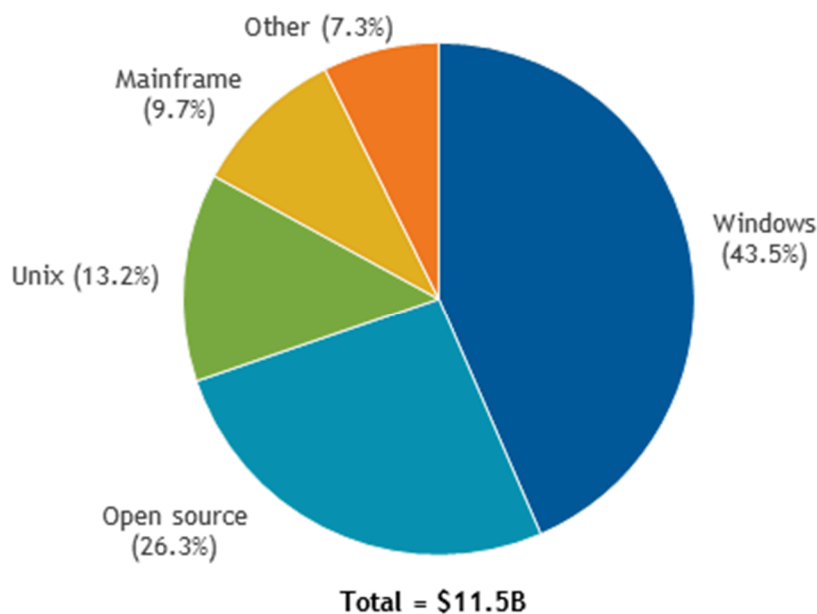
Source: IDC's Worldwide Semiannual Software Tracker, April 2020

Worldwide IT Operations Management Software Revenue Share by Operating Environment, 2019

Figure 5 provides a snapshot of the market in 2019 by operating environment. Windows had the largest share, with 43.5% of the worldwide IT operations management software revenue. Open source was second with 26.3%, and Unix third with 13.2% share. Mainframe had 9.7%, and the "other" OE category had 7.3%.

FIGURE 5

Worldwide IT Operations Management Software Revenue Share by Operating Environment, 2019



Source: IDC's Worldwide Semiannual Software Tracker, April 2020

Significant Market Developments

Requirements for IT operations management software are increasingly being driven by the need to manage applications and infrastructure in dynamic environments supporting digital and customer-facing applications. IT organizations are faced with managing multiple environments ranging from traditional on-premises systems with virtualized infrastructures to private, public cloud, hybrid, and multicloud deployments. Developing applications for the cloud and moving existing applications to the cloud are major activities supported by ITOM. Monitoring and managing IT availability across the rapidly evolving technology stack including containers continues to be an important requirement, although difficult to achieve. Focusing on managing systems and applications to optimize the end-user experience is a major priority as 100% uptime and fast performance are table stakes for digital business success.

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. 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 sometimes operating environments. For further details, see *IDC's Worldwide Software Taxonomy, 2020* (IDC #US45718419, January 2020). Bottom-up/company-level data collection for calendar year 2019 began in January 2020 with in-depth vendor surveys and analysis to develop detailed 2019 company models by market, geographic region and, in some cases, operating environment.

The data presented in this document is IDC estimates only.

Note: All numbers in this document may not be exact due to rounding.

MARKET DEFINITION

IT operations management (ITOM) software and SaaS solutions monitor, collect, normalize, correlate, report, and automate the analysis and response of systems and applications to nonscheduled events. ITOM incorporates software and SaaS monitoring and analytics solutions focused on application performance management (APM), infrastructure monitoring and reporting, IT operations analytics, application performance business impact analysis, predictive analytics and computing, and application capacity optimization. Included are console automation products, global event management applications, event correlation and root cause analysis software, event action engines, log management, and log analytics. This category does not include automation of responses to scheduled events. See *IDC's Worldwide Software Taxonomy, 2020* (IDC #US45718419, January 2020) for further information.

RELATED RESEARCH

- *IDC's Worldwide Software Taxonomy, 2020* (IDC #US45718419, January 2020)
- *Worldwide IT Operations Management Software Forecast Update, 2019-2023* (IDC #US45593719, November 2019)
- *Worldwide Semiannual Software Tracker Methodology, 1H19* (IDC #US45574219, October 2019)
- *Worldwide IT Operations Management Software Market Shares, 2018: Monitoring, Log Analytics, Hybrid IT Drive Strong Growth* (IDC #US45130419, July 2019)

About IDC

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