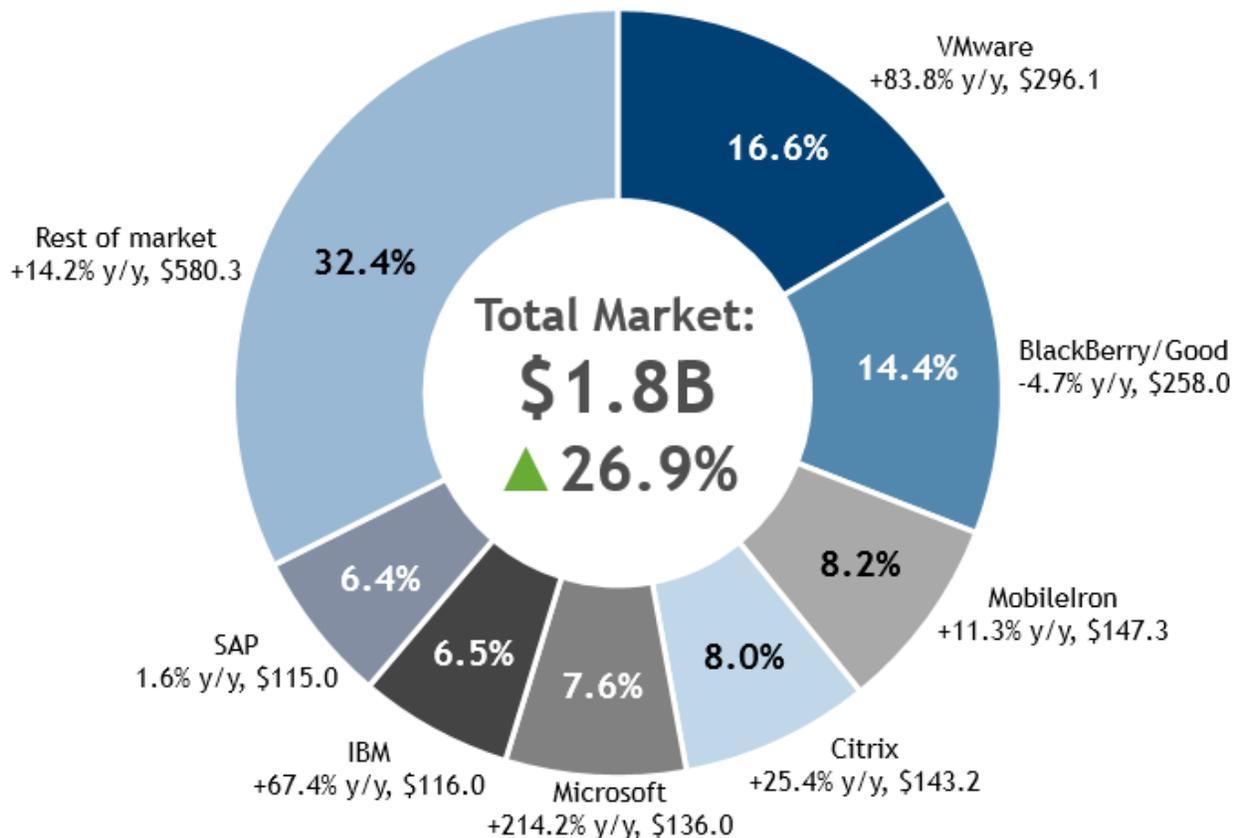MARKET SHARE

Worldwide Enterprise Mobility Management Software Market Shares, 2015: Consolidation of Vendors and Market Share Changes the Landscape

Phil Hochmuth

IDC MARKET SHARE FIGURE

FIGURE 1

Worldwide Enterprise Mobility Management Software 2015 Share Snapshot

Note: 2015 Share (%), Growth (%), and Revenue ($M)

Source: IDC, 2016

IN THIS EXCERPT

The content for this excerpt was taken directly from Worldwide Enterprise Mobility Management Software Market Shares, 2015: Consolidation of Vendors and Market Share Changes the Landscape (Doc# US40430516). Included in this excerpt are sections that relate specifically to VMware, and any figures and or tables relevant to VMware.

EXECUTIVE SUMMARY

The enterprise mobility management (EMM) software market grew from 1.4 billion in 2014 to 1.8 billion in 2015, representing total year-over-year growth of 26.9%. This is slightly less than the 27.7% growth rate IDC saw from 2013 to 2014, but this is still strong year-over-year growth overall, even as the market begins to consolidate to fewer players and weaker vendors begin to shake out. The major stories of 2015 were the phenomenal growth rate of VMware, which nearly doubled its 2014 revenue, and the merger of BlackBerry and Good Technology, which combined to create the second-largest EMM provider and created a large second-level competitor to VMware for the leading spot. Other vendors that saw strong growth in 2015 included Microsoft, which saw its previous year's revenue total increase more than 200%, as well as Citrix and SOTI, all of which saw nearly 30% or more year-over-year growth in revenue.

What was once a wide-open market where no vendor had more than 10% market share is evolving into a more stratified market with a few larger players at the top with double-digit market share and a second tier of players with single-digit share. The top-tier vendors, AirWatch and BlackBerry, brought offerings that appeal to multiple industries and organizational types, while the second-tier players have solutions unique to their own customer base.

While BYOD trends, security, and overall mobile worker growth continue to drive the EMM market, enterprises are looking to these solutions beyond simple device management application app stores and secure business apps such as email contacts and browsing. Many enterprises now see EMM platforms as strategic platforms for integrating broader security initiatives and as control points for devices beyond smartphones and tablets, including laptops and PCs and even IoT-type devices and nontraditional network-attached endpoints. In many businesses, EMM platforms are emerging as the unified endpoint control platform for end-user computing overall as well as mobile users and connected mobile devices. The advent of Windows 10, with its mobile device management (MDM)-like control and management capabilities, is helping drive this as well as overall growth of mobile devices in the enterprise in the emergence of mobile computing as a standard de facto activity among the mobile workforce, as opposed to outlying or special use case scenarios.

At the same time, the perceived value of EMM is shifting from its heritage of mobile device management to further up the application and content stack, namely mobile application management (MAM) and mobile content management (MCM). This shift from device-level hardware controls to applications and data is a natural evolution for the market, as BYOD devices make it hard for businesses to control all aspects of smartphones and tablets used by workers. Another driver here is growth of extended enterprise use cases, contractors' franchisees, temporary workers, and others requiring access to certain business apps and data, but not requiring an entire maintenance device from the business. In these circumstances, security and policy enforcement on apps and the underlying data, both structured and unstructured, become the focal point of EMM policy enforcement capabilities.

This IDC study analyzes the EMM market in 2015, ranking the top 14 vendors by revenue and providing the market trends and events that helped shape the market landscape in 2015.

"EMM platforms are evolving from tactical device management tools to broader unified end-user computing management platforms, crossing mobile devices, apps, and data, as well as traditional computing platforms such as laptops and PCs," says Phil Hochmuth, program director, Enterprise Mobility, IDC. "As mobility grows in the enterprise, EMM solutions will become centralized control points for how employees and devices connect to enterprise data and IT resources."

ADVICE FOR TECHNOLOGY SUPPLIERS

As the EMM market continues to evolve and mature, some key trends around how customers are deploying and using EMM platforms will shape strategies for vendors of these products going forward. With this in mind, the list that follows details key strategies EMM technology suppliers need to consider over the next three-to-five years:

- **EMM security features become paramount:** EMM platforms, while still strong management and configuration platforms, are emerging to become encompassing, in fact, of mobile security platforms for the enterprise. Security features embedded into most EMM solutions, controlling configuration of devices, distribution enablement, and revocation of apps and control over how data is manipulated, used, and consumed on devices are the most important features for enterprises deploying these solutions. Data security is a primary concern for all enterprises, and the rapid expanding use of mobile technology is a risk that must constantly be dealt with by IT security professionals. While the market for discrete mobile security products is growing and is beginning to address certain areas such as overall threat management and network-based threats, much of the traditional enterprise security products stack for point computing and security is being collapsed into a single platform with EMM; this includes functions such as network access control and rights privileges, detection of compliant endpoints in software, and information protection and control functionality around individual apps and data types. While EMM goes beyond security and is now touching areas such as app development, nontraditional endpoint integration, and total enterprise mobile life-cycle management, vendors that take an eye off the ball of security will fall behind as enterprises look to EMM as the foundation for most mobile security deployments.

- **EMM product scope must go beyond end-user computing:** EMM providers have a large-enough market opportunity in terms of endpoint management security control overall. However, looking beyond the management of smartphones, tablets, and laptops, EMM is starting to emerge as an enterprise IoT platform. Many vendors already support IoT-type devices, or "headless" network-connected devices, such as vending machines, network-attached cameras, billing automation systems, physical access control systems, and other technologies where endpoint configuration, over-the-air software updates, and policy enforcement are important. EMM platforms will not expand to cover the broadest IoT scenarios, such as would just-go asset tracking, consumer IoT product control, or utility industry scenarios; however, as more endpoints in the enterprise become connected to IP networks, and commodity smartphone hardware and software become more prevalent in nontraditional endpoint computing devices (i.e., ATM machines, informational kiosks), the key functionalities, especially around security policy enforcement, that EMM provides will be applicable to these IoT scenarios. EMM vendors that limit the scope of their solutions to only people-connected mobile endpoints will miss a large market opportunity in terms of IoT device control and management.

- **Integration becomes key:** EMM platforms have traditionally been an IT operations-focused tool, used for controlling, deploying, securing, and managing mobile endpoints. As enterprises devise and fine-tune the end-user mobile computing experience, EMM platforms will have to interface and integrate with a broader range of technologies, including mobile application development platforms, as well as mobile application monitoring and user experience management technologies. The barrier of entry for creating mobile apps has been lowered by the emergence of MADP technologies that include rapid app development tools and Web services that allow for quick integration and exposure of back-end data sources and services. With this quick app creation environment comes the need for rapid deployment and mark management of these new technologies, which is the purview of EMM. Providers of EMM platforms must integrate tightly with mobile app development tools to lower the barrier from app creation to deployment and provide feedback loops to app creators around app usage trends in user experience and monitoring of app usage. Similarly, EMM solutions can integrate with mobile application performance monitoring tools, which operationally can be deployed alongside apps in an enterprise mobile environment, either managed by more or integrated with EMM platforms. EMM solutions providers that only operate on the operations side of mobile device and app management and security and ignore application integration and ongoing app monitoring requirements will be left behind for systems that integrate more tightly with these technologies.

MARKET SHARE

Table 1 provides vendor shares for the EMM software market for 2014 and 2015. IDC uses GAAP revenue for all software vendor market share reports across the company, as it is the common metric on which all publicly traded companies are required to report.

TABLE 1

Worldwide Enterprise Mobility Management Software Revenue by Vendor, 2014 and 2015

	2014		2015		
Vendor	Revenue ($M)	Share (%)	Revenue ($M)	Share (%)	2014–2015 Growth (%)
VMware	161.1	11.4	296.1	16.5	83.8
BlackBerry (includes Good Technology)	270.6	19.2	258.0	14.4	-4.7
MobileIron	132.3	9.4	147.3	8.2	11.3
Subtotal	564	40	701.4	39.1	24.4
Other	848.1	60	1090.5	60.9	28.6
Total	1,412.1	100	1,791.9	100	26.9

TABLE 1

Worldwide Enterprise Mobility Management Software Revenue by Vendor, 2014 and 2015

Vendor	2014		2015		
	Revenue ($M)	Share (%)	Revenue ($M)	Share (%)	2014–2015 Growth (%)

Note: All revenue stated in this study is based on IDC's estimates of software revenue (license, subscription, and associated maintenance) recognized for each calendar year, according to generally accepted accounting principles(GAAP). We caution that GAAP-based revenue comparisons have limitations, as vendor-specific accounting practices or requirements often create significant differences between the amount of revenue booked in a given year and GAAP-recognized revenue. For more details, please see the Methodology section of this study.

Source: IDC, May 2016

Vendors in the "other" category include Citrix, Microsoft, IBM, SAP, CA Technologies, Dell, Kaspersky Lab, BMC, Intel Security, OpenPeak, JAMF Software, Absolute Software, Apperian, FancyFon, Excitor, ManageEngine, HEAT Software, and Amtel, among others.

WHO SHAPED THE YEAR

VMware

- IDC estimates VMware grew its EMM revenue by equal percentages from 2014 to 2015, totaling $296.1 million. At the same time, it increased its market share, from 11.4% share in 2014 to 16.6% in 2015.

- Large-scale customer positions as well as broader penetration within existing accounts contributed to the rapid growth of VMware, and 2015 was the first full calendar year in which AirWatch was operating as a business unit within VMware's end-user computing group.

- A broader reach via VMware's massive channel and partner base as well as leveraging integrations with VMware technology and targeting of the large VMware installed base also featured as factors for VMware's large growth in 2015.

- In October 2015, VMware acquired Boxer, a provider of security email and personal productivity information management apps for mobile users. Boxer has since been integrated into the AirWatch solution.

- VMware continues to expand its presence as an IoT platform provider, highlighting its relationship with Coca-Cola for using VMware as a management platform for its 30,000 smart soda dispensing machines deployed in the United States.

MARKET CONTEXT

According to IDC's 2015 *Mobile Enterprise Software Survey,* nearly two-thirds of large enterprises are using mobile device management, either as standalone MDM products or with MDM integrated into

Microsoft Exchange ActiveSync deployments. Beyond MDM, more than half of all enterprises indicated they plan to invest more in mobile application management and mobile content management solutions over the next 12-18 months.

In terms of total endpoint management solutions, enterprises are also looking to consolidate traditional endpoints, such as PCs and laptops, into a unified management solution with mobile devices. Fewer than one-third of enterprises said they would keep separate management solutions for both traditional PCs and laptops and mobile devices. More than 60% of large organizations said they wanted an integrated solution at some level (either managing both traditional and mobile endpoints in a single solution or managing at least laptops and mobile devices in one platform).

All of these trends point to a strong opportunity for EMM product growth, as enterprises look to adopt more applications and content control features in basic MDM deployments. Enterprise IT sentiment toward a unified endpoint management platform also creates a large opportunity for EMM platforms, as these are increasingly seen as management solutions for laptops and traditional PCs. In addition to these market opportunities, there is still a large greenfield for EMM licenses in the enterprise, as IDC estimates that fewer than 30% of the worldwide installed base for business-use mobile devices (both corporate liable and BYOD) are currently managed by an EMM platform.

While the market opportunity is still strong for EMM suppliers, several market developments emerging and evolving now will shape market adoption trends and growth rates over the next 12-18 months.

Significant Market Developments

Standardization (AppConfig)

For the first time, the EMM market is seeing the true multivendor standardization effort, with the introduction of the AppConfig Community at Mobile World Congress earlier this year. The effort, led by IBM, JAMF Software, MobileIron, and VMware, is an attempt to standardize how EMM platform providers control enterprise mobile applications and secure enterprise data. In the past, application vendors had to create specific versions of the apps using SDKs from individual EMM vendors to allow these apps to be managed and controlled by those platforms. This resulted in multiple versions of applications being deployed to internal and public app stores. It would put burdens on software developers and limited the scope of apps that can be managed and patrolled by EMM platforms. Apple was also an initial device OEM/OS maker member of the effort; the control schema AppConfig initially outlined used native iOS settings. In May, Google joined the effort, announcing its intention to support similar standards control support in Android.

AppConfig seeks to leverage built-in application configuration and management controls and iOS and Android, which allow vendors supporting the standard to apply EMM security and policy enforcement on apps without requiring unique wrapping or configuration of the code.

This effort follows the previously announced App Configuration for Enterprise (ACE) consortium initiated by VMware at the Mobile World Congress, 2015. ACE included several software development partners, but VMware was the only EMM provider consortium. With AppConfig, the fact that multiple competitive rivals in EMM are willing to work to a constant standard for app control configuration is a good indication that the market is maturing past the point of the basic devices and app security. EMM providers will compete more on the value of the total solutions as well as their ecosystem integration capabilities and partnerships.

Workspaces

The *workspace* is a loosely defined industry term implying unified desktop, enterprise applications, and mobile computing environment tied to identity. Currently, the major players in workspaces are VMware and Citrix, leaders in desktop and application virtualization solutions that also have EMM platforms as part of their respective portfolios. Both vendors have done a good job to integrate the mobile and virtual desktop/application platform technologies each has acquired and built up in the past several years. In some ways, the workspace is the culmination of what both vendors have been working toward – unified access that crosses multiple device types and worker use cases.

The workspace concept will likely drive continued adoption of EMM in the near term, as businesses discover ways to integrate mobile and traditional endpoint computing experiences and tidy solutions to application access management technologies via identity platforms. Cloud will be an important component of this, as workspaces will be expected to be accessible from any device information location. Vendors without the complete workspace stack – desktop virtualization, virtualization EMM, and identity and access management platforms – should look to partner with point solutions for writers in the respective component areas of workspaces, or possibly risk ceding incremental market share gains and leave the workspace market to be a two-horse race.

Complementary Security/Management Capabilities

As the scope of EMM platforms shifts increasingly toward security, EMM platform vendors increasingly will be looked upon as major security technology enablers by enterprises. Over time, expect more mobile security functionality to be absorbed by EMM platforms, such as mobile endpoint threat detection and management technologies, secure mobile device access platforms, and data encryption and policy enforcement.

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 are 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 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 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, as follows:

- **Reported and observed trends and financial activity.** This study incorporates reported and observed trends and financial activity in 2015, including reported revenue data for public companies trading on North American stock exchanges (CY 1Q15–4Q15 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 thousands of interviews with business users of software solutions annually and provides a powerful fifth perspective for assessing competitive performance and market dynamics. IDC's user strategy databases offer a compelling and consistent time-series view of industry trends and developments. 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 the previously mentioned 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.

In addition, please note the following:

- All revenues stated in this study are IDC's estimates of software revenue (license, subscription, and associated maintenance) recognized for each calendar year according to generally accepted accounting principles. This is done to provide the highest-quality estimates of revenue and establish a consistent basis for comparing vendors' relative shares. We caution, however, that GAAP-based revenue comparisons and growth projections have limitations and should not be used solely as a basis for evaluating vendors' relative standing or revenue-generating potential. Revenue recognition practices are not consistent among vendors in this study due to vendor-specific accounting practices or requirements. In some instances, particularly where revenue is recognized over a longer period, the difference between revenue share indicated in this study and revenue "booked" in that same year can be substantial. The reader is advised to be aware of these practices and their potential for distorting the interpretation of share estimates and market projections included in this study.

- Some of the information contained in this study was derived from IDC's Software Market Tracker database as of May 1, 2016.

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

MARKET DEFINITION

Enterprise Mobility Management Software

Enterprise mobility management (EMM) is a competitive software market that pulls revenue from various enterprise systems management, security, and content management markets. EMM offerings

include capabilities that enable the secure management of devices, applications, and content within a mobile computing context.

A mobile device management (MDM) solution includes many of the standard features included in PC management solutions but also additional functionality that addresses the unique needs of mobile devices such as smartphones and tablets. In its current incarnation, the EMM software market is not meant to capture the entire IoT device management opportunity; however, a portion of the IoT device management market may be included where existing EMM vendors broaden out their platforms to support additional device types. Some of the key features of a mobile device management solution are:

- Device provisioning and management configuration settings
- Inventory/asset management
- Software distribution (applications, OS, firmware updates)
- Remote wipe/lock and remote control for systems diagnostics
- Policy/compliance management (encryption management, device posture, etc.)
- Authentication and certificate management
- Real-time device monitoring, location information, GPS tracking
- Reporting and analytics on devices

Mobile application management (MAM) refers to a solution by which specific mobile applications can be managed, secured, and distributed by IT organizations and that typically allows for enhanced policies to be applied to individual applications or a grouping of apps. Mobile application management solutions can either supplement MDM functionality or function as standalone offerings. Common functionalities included within MAM include enterprise app storefronts, containers, and app wrapping.

Mobile content management (MCM) solutions for the enterprise provide IT with a secure way to provide access to files/content/data sitting in various data stores to mobile devices. Such solutions may also provide mechanisms to securely collaborate on this content. These products allow IT to manage who gets access to what information and may tie in with other back-end or mobile-specific policy systems. Preventing data loss is a key goal of these products, and they do so by providing IT with a mechanism to control data flow in and out of the secured app and secure communication between apps. These solutions assist with compliance and governance by offering reporting on user activity with mobile content. Mobile content management solutions may be either cloud based or on-premise based and may also provide access to content that is in the cloud or behind the firewall.

RELATED RESEARCH

- *IDC's Forecast Scenario Assumptions for the ICT Markets and Historical Market Values and Exchange Rates, Version 1, 2016* (IDC #US41199716, April 2016)
- *Five Key Trends for Mobile Security in 2016* (IDC #US40785916, March 2016)
- *Worldwide Enterprise Mobility Management Software Forecast, 2015-2019* (IDC #257408, July 2015)
- *Worldwide Enterprise Mobility Management Software Market Shares, 2014: Fragmentation Continues, But the Dust Is Starting to Settle* (IDC #256627, June 2015)

About IDC

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