Unix? Dying? It isn't even sick...

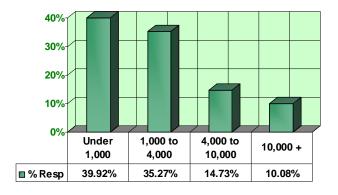
Is the Unix market dying? Not according to the 277 enterprise customers polled in our 4Q'06 Unix Vendor Preference Survey. The data from these customers shows that the Unix market is alive, well, and likely to grow in the future – particularly on the high-end....

Some industry pundits have made a living predicting the imminent death of the Unix server, usually saying that the market will implode sometime in "the near future." Of course, as the "near future" inevitably becomes the present, their timetable for the Unix funeral is automatically adjusted to move just over the horizon, with the idea that no one will remember the predictions of yesteryear. These sentiments are also spread by a host of vendors who, for their own reasons, believe they will profit by the demise of Unix.

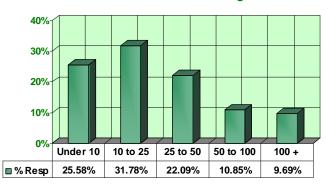
Our view, backed by our research (details later on) with real customers, is that the Unix system market is healthy and that Unix servers will be around for a long, long time. As part of our 4Q'06 Unix Vendor Preference Survey, we asked survey respondents to share with us their views about Unix usage in their organizations. Before we get into their responses, let's begin with a few words about the survey itself and the respondent demographics.

Very briefly, the survey is designed to find out how data center personnel rate and rank the major Unix vendors (HP, IBM, and Sun) on a wide variety of technical, vendor, and customer support criteria. We intentionally target data center folks rather than CIO types, as we believe that the people who live on raised floors, or in close proximity to them, have the best handle on how the various vendor and their offerings stack up against each other. In the 4Q'06 survey, we had a total of 277 respondents with the following characteristics...

Organization Size (Employees)

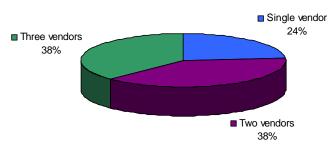


Number of Unix Servers Managed





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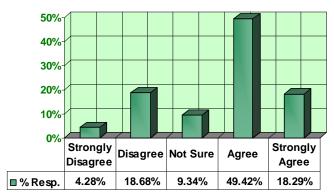


We believe that the demographics of this survey are a fairly close representation of the market as a whole. We had almost 40% participation from SMB (1,000 employees and under) organizations, with the bulk of respondents in the 1,000 - 10,000 employees segment. We can also see that the large majority of Unix shops have systems from two or more vendors (76%).

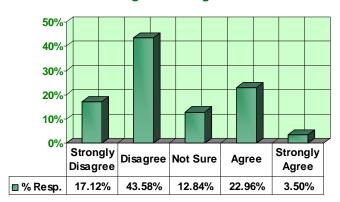
The distribution of respondents by vendor lines, i.e. data centers who have standardized on a particular vendor, was almost exactly balanced with roughly a third of respondents each in the HP, IBM, or Sun Microsystems camps.

So how do these folks see their Unix server usage changing over time? Our first two questions ask about overall Unix usage. In our surveys, we tend to use a 'belt and suspenders' approach, by asking the same question in different ways. This is probably fairly annoying to those taking the surveys, but we feel it gives us a clearer picture of what the respondent is actually saying.

Unix Usage Increasing Overall?



Unix Usage Declining Overall?



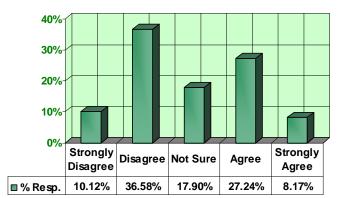
In the results above, it is clear that our survey participants intend to continue using Unix. Almost 70% of respondents say that their Unix usage is increasing, while 60% disagree or strongly disagree that their Unix usage is declining overall. There isn't perfect agreement between these two questions – in a perfect world, they should balance out, well, perfectly.

Despite this, a much larger number of customers are saying that their Unix usage is increasing overall. Only 22-26% (again, based on the questions in the charts above) assert that Unix in their organization isn't increasing or is, in fact, declining.

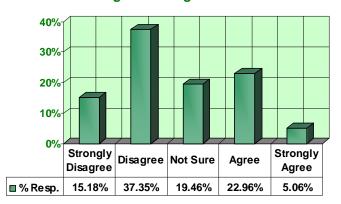
So if Unix usage is increasing, where is it increasing? As this topic was just a subset of the entire survey, we didn't ask a whole lot of questions, but did ask a few more...

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Unix Usage Increasing on Low End?



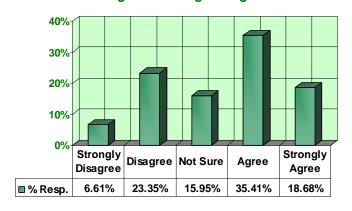
Unix Usage Declining on Low End?



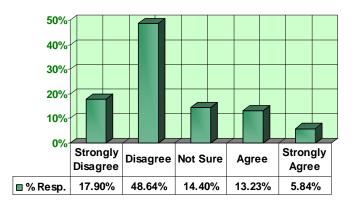
There's a bit of a dichotomy in the results of our questions covering small server Unix usage. Almost 36% of respondents agree (left-hand chart) that low-end Unix is increasing in their organizations, while 47% disagree. When asked if low-end Unix is declining in their data center (right-hand chart), more than half (53%) disagree, while 28% agree. Perhaps the best interpretation of the data is that Unix is holding steady at the low-end. However, the data certainly doesn't show a widespread move away from small Unix servers.

The picture is much clearer on the high-end...

Unix Usage Increasing on High End?



Unix Usage Declining on High End?



More than half of our respondents (54%) say that they will be increasing their use of high-end Unix systems, with 30% disagreeing. When asked if their big Unix system usage was declining (right-hand chart), less than 20% of participants agreed, with 67% disagreeing. This result certainly supports the idea that large-scale Unix systems are still in vogue and will likely be even more popular in the future. There are plenty of reasons why this trend is probably true (constantly improving price/performance, value from virtualization/consolidation, etc.), but that's a topic for another screed.

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So what have we learned?

For our part, these results tell us that the Unix market is healthy and likely to grow in the future. We believe that the much discussed death of Unix, like the death of the mainframe and mini computer, is more myth than fact and will remain so for at least the next decade. Unix systems and their associated applications fulfill vital functions in many organizations and the costs and risks of switching to a different system architecture (read: x86 based servers) are too high to justify benefits that may not be as significant as promised. More importantly, the Unix value proposition, with its renewed emphasis on business value and economics – fueled by the virtualization and server consolidation trends - is simply too strong to be disregarded by customers. This isn't to say that x86 based systems aren't making up ground in terms of capabilities, scale, and availability; they are. We are saying that these systems still have a way to go to equal or better the overall value of Unix systems – particularly at the high end.

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