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Growth predicted for Open Source

Spend on Open Source applications will grow by 2.8% in 2004 according to the latest data from the NOP World Technology Confidence Barometer.

The results show that 30% of organisations surveyed are using Open Source with a further 32% considering implementing Open Source in the next 12 months.

In comparison to the survey's prediction of overall growth in IT spend of 5.3% in 2004, the growth in spend on Open Source may seem low. However, because of the lower cost of Open Source/Linux compared to other proprietary software, small increases in budgetary expenditure probably understate the growing importance of such applications.

Growth in spend on Open Source/Linux is highest in the Business/IT sector, with IT decision makers predicting increases in spend of 3.5%. Public sector organizations predict an average increase in spend of 2.8% on Open Source applications in 2004 - illustrating the priority that many in the public sector are placing on non-proprietary software solutions.

As might be expected, the country that predicts the largest increase for 2004 is Germany, where government departments have increasingly chosen to drop Microsoft in favour of Open Source. German IT decision makers predict that they will spend 4.3% more on Open Source applications in 2004 than 2003, compared to 2.7% in France, 2.6% in both the UK and the US.

CIOs have the most confidence that increased spend will be seen in Open Source/Linux. They predict increases in IT spend of 5.8%. Other senior managers are also expecting high growth in Open Source, with growth predictions of 4.5%. In contrast, IT managers are more sceptical, expecting only a 2.1% increase on last year's spend.

Open source applications are being used by 30% of companies. In these companies, the vast majority (79%) are using Open Source with their Infrastructure Servers. Additionally, it is being deployed for an array of alternative uses, notably Workgroups (38%) and Desktops (37%).

Just under a third of companies (32%) are not using but are considering adopting Open Source software. The primary reasons for considering adoption are reducing costs (61%) and improving technology performance (54%).

Thirty eight percent of all companies are not using Open Source and have no intention of doing so. Companies with less than 100 employees, and in the Wholesale and Retail sectors, are the least likely to be considering implementing Open Source applications. The main concern of these decision makers, aired by 44%, was that there is a lack of the necessary expertise to properly implement it as a solution. Just under a third of these companies also fear that they have a poor grasp of the technical suitability and feel that they lack support from management.