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A TECHNOLOGY MARKET RESEARCH FIRM

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eDiscovery Market, 2010-2014

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SCOPE

This study covers the eDiscovery market in 2010 and its expected evolution over the next four years. The report examines market trends, corporate demand, as well as leading vendor products and strategies.

We provide data on worldwide market size and revenue market share by vendor, as well as worldwide market growth forecasts in terms of revenue from 2010 to 2014.

All market numbers, such as market size, forecasts, revenue information, and any financial information presented in this study represent worldwide figures, geographical breakouts are also provided. All revenue numbers are expressed in \$USD.

The revenue numbers listed for each vendor and service provider do not represent total company revenue. They only represent sales of solutions and support revenues as a direct result of the sales for the 2010 calendar year. Professional services revenue is not included.

METHODOLOGY

The information and analysis in this report is based on primary research conducted by The Radicati Group, Inc. in 2010. It consists of information collected from vendors, and corporate users via on-going interviews and surveys.

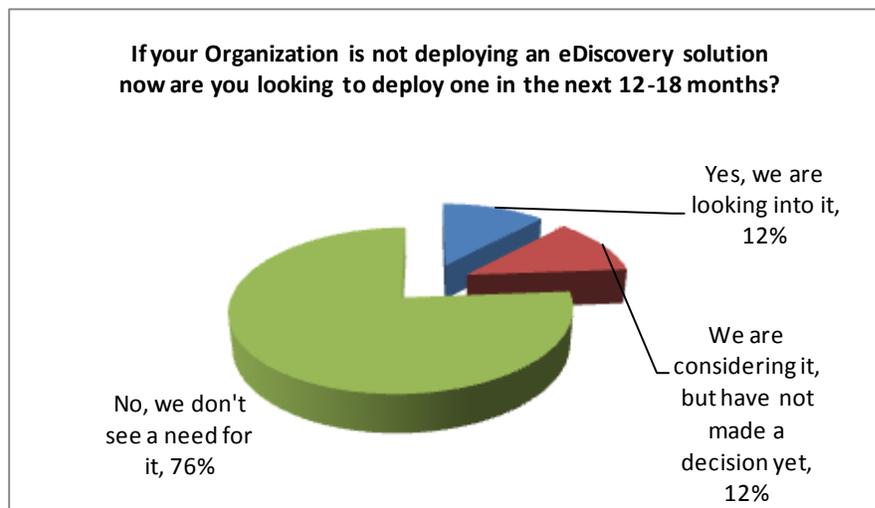
Secondary research sources have also been used, where appropriate, to cross-check the information collected. These include company annual reports and market size information from various related market segments of the computer industry.

EXECUTIVE SUMMARY

- **eDiscovery** solutions enable organizations to identify, collect, analyze, process, and present data stored in various corporate repositories. The data may be collected in response to lawsuits, internal investigations, or regulatory compliance requests.
- eDiscovery solutions are deployed by:
 - *Organizations* (legal departments) – to enable them to either prepare and process data for a lawsuit, or supervise user adherence to various internal and government regulations.
 - *Law Firms* – to enable them to process data for a lawsuit.
- Overall, about 80% of all eDiscovery solutions are deployed by legal departments of large organizations, and the remaining 20% by law firms.
- eDiscovery solutions can process electronic or scanned hardcopy documents. Despite the widespread usage of electronic communications, often as much as 30%-40% of all documents analyzed in the course of a legal investigation are scanned hardcopy documents.
- eDiscovery solutions today range from custom-built for each individual customer, to pre-packaged solutions that work out-of-the box in less than an hour.
- The majority of eDiscovery solutions are offered as software or appliances, if purchased directly from the vendor. A growing number of eDiscovery solutions, however, are also available hosted through a service provider.
- For a number of years, the eDiscovery market lacked standards, making it difficult for customers to compare the offerings of various vendors. To address this issue, in 2005, a consortium of vendors and corporate customers created the EDRM (Electronic Discovery

Reference Model) project, which provides a framework that helps customers understand the market, and enables vendors and service providers to obtain greater interoperability.

- Even though many vendors try to cover the complete EDRM model in terms of the features they offer, very few do all parts of it equally well. Over the past year we have seen a rise in partnership agreements, which enable customers to seamlessly deploy capabilities from multiple vendors without having to integrate them on their own.
- Regionally, North America is currently still the largest market for eDiscovery products and services, and we expect it to stay that way over the next four years. This is not surprising, as the US is the more litigious country in the world, and organizations need a way to protect themselves from possible lawsuits, and/or handle on-going claims as efficiently as possible.
- The pricing models for eDiscovery solutions vary greatly, depending on the complexity and features required. While some vendors charge based on the number of users supervised, others charge per GB of data processed, and yet others are moving towards a flat-rate subscription model (for both on-premises solutions and hosted services).
- A Corporate IT Survey of 100 organizations, conducted by The Radicati Group in 2010, showed that while corporate awareness is growing, there is still a lot of room for penetration for eDiscovery solutions.



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