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A TECHNOLOGY MARKET RESEARCH FIRM

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eDiscovery Market, 2013-2017

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SCOPE

This study covers the eDiscovery software market in 2013 and its expected evolution over the next four years. The report provides worldwide market size, revenue market share by vendor, as well as worldwide market growth forecasts from 2013 to 2017. The report also provides an analysis of leading vendor products and strategies.

> *Note: This study only covers the sale of eDiscovery software and technology.*

> *1. The eDiscovery market has a large professional services and legal consulting component which is not included in this report.*

> *2. Also, this study does not include eDiscovery add-on solutions offered in conjunction with information archiving, or other repositories and where the eDiscovery component is aimed primarily at dealing with the data stored in those repositories.*

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 represent only product and support revenues for the 2013 calendar year. Professional services revenue is not included in this report.

METHODOLOGY

The information and analysis in this report are based on primary research conducted by The Radicati Group, Inc. Our proprietary methodology combines information derived from three principal sources:

> a. Our Worldwide Database which tracks user population, seat count, enterprise adoption and IT use from 1993 onwards.

> b. Surveys conducted on an on-going basis in all market areas which we cover.

> c. Market share, revenue, sales and customer demand information derived from vendor briefings.

Forecasts are based on historical information as well as our in-depth knowledge of market conditions and how we believe markets will evolve over time.

Finally, secondary research sources have also been used, where appropriate, to cross-check all the information we collect. These include company annual reports and other financial disclosures, industry trade association material, published government statistics and other published sources.

Our research processes and methodologies are proprietary and confidential.

EXECUTIVE SUMMARY

- eDiscovery refers to a set of processes for the identification, preservation, collection, processing, review, analysis and production of Electronic Stored Information (ESI). eDiscovery is typically done in the context of civil or criminal litigation procedures and/or to satisfy government investigations.

- ESI can take many forms, such as email, documents, images, databases, audio files, web sites, computer applications, and more. ESI is stored across a broad range of corporate repositories which may encompass databases, websites, file stores, as well as individual devices such as computers and laptops.

  - *Note: Many information archiving vendors, Enterprise Content Management (ECM), and other types of data management vendors are adding eDiscovery modules or add-on components to their solutions and touting that they support "eDiscovery". These vendors are not included in this report as the functionality they provide is really meant to ease access to their own data repositories for transfer into full-fledged eDiscovery solutions.*

- The eDiscovery market is heating up as litigation increases and more corporate organizations are bringing eDiscovery in-house as part of a broader information governance mandate.

- eDiscovery solutions were initially targeted mainly at the needs of legal firms, however, increasingly we are seeing corporations of all sizes looking to bring eDiscovery solutions in-house. In the next 2-3 years we believe most corporations in the US will have deployed an eDiscovery solution (either on-premises, hosted, or hybrid). These solutions will of course be capable of interfacing with other eDiscovery solutions in use by outside legal firms, but they will serve as the first line of corporate response to litigation.

- Key drivers for deployment of eDiscovery solutions by corporate organizations, today, include:

  - *Increasing Litigation*
  - *Growth in Compliance Requirements*
  - *Need for Proactive eDiscovery*
  - *Emergence of New Content Sources*
  - *Overabundance of Stored Data*

- There is still great opportunity in the eDiscovery market for new, smaller players to emerge. There are a large number of smaller vendors that offer highly

specialized eDiscovery solutions. A number of these vendors have a regional focus, and see promising opportunities in non-English language eDiscovery support, particularly Asian languages.

- Figure 1, shows the eDiscovery market size forecast from 2013 to 2017. The eDiscovery market is expected to grow from revenues of over $1.4 billion in 2013 to over $3.7 billion in 2017, representing an average annual growth rate of over 28% over the next four years.
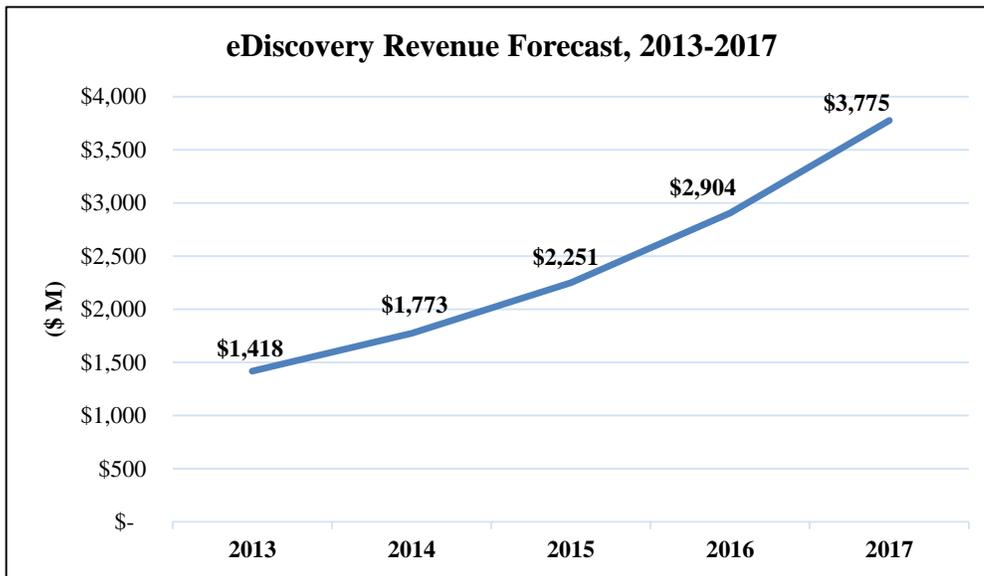

Figure 1: eDiscovery Solutions Revenue Forecast, 2013-2017

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