Magic Quadrant for Web-Enabled Application Delivery, 2H04

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Mark Fabbi

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The application delivery market continues to reward vendors that focus on solving real application performance issues. Vendors with an enterprise focus have moved ahead in the Magic Quadrant for Web-Enabled Application Delivery, 2H04.

What You Need to Know

The gap between vendors that understand and deliver key enterprise features and those that don't continues to expand. Application owners and developers and their networking counterparts are advised to look at vendors with broad feature capabilities targeted at improving application performance while reducing the demands on infrastructure components. In this innovative market, those vendors clearly occupy the Leaders and Visionaries quadrants in the Magic Quadrant for Web-Enabled Application Delivery, 2H04.

Analysis

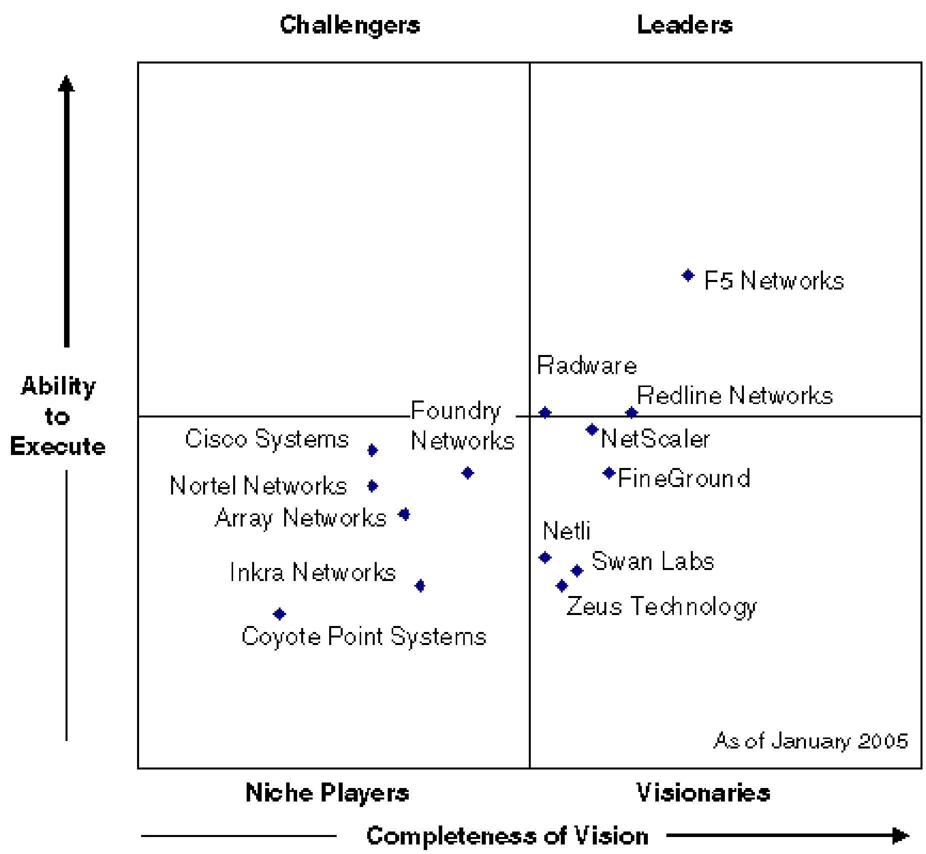
The Web-enabled application delivery market is expanding rapidly as more companies realize the significance of these solutions. Vendors included in the Magic Quadrant for Web-Enabled Application Delivery, 2H04 provide at least a subset of the features to improve the reliability, performance and delivery of applications (security) across an arbitrary network. Vendors gaining the most traction in this market are focused on application performance (see "Magic Quadrant Criteria: Web-Enabled Application Delivery"). We expect this Magic Quadrant to evolve into an "application delivery" Magic Quadrant as most of the vendors begin to solve a broader base of enterprise application challenges.

The market continues to evolve: Swan Labs recently purchased Pivia; and three new vendors — Coyote Point Systems, Netli and Zeus Technology — have been added to the Magic Quadrant. We have removed Nauticus, which Sun Microsystems has acquired. Although Sun continues to pursue a product with virtualized traffic management functionality, it is using this capability as part of its real-time infrastructure architecture and is not pursuing a broader market for the Nauticus product family.

As with the previous Magic Quadrant, there is a marked and growing gap among vendors focused on application performance features and those delivering on the availability and scalability requirements from the 1990s. A strong placement in this

Magic Quadrant demands that solutions addressed the key requirements of enterprise application delivery in 2004. Due to this gap among the vendors, five of the 10 vendors that remained from the 1H04 Magic Quadrant are in different quadrants (see Figure 1 and "Magic Quadrant for Web-Enabled Application Delivery, 1H04").

Figure 1.
Magic Quadrant for Web-Enabled Application Delivery, 2H04



Source: Gartner Research (January 2005)

Leaders

F5 Networks, with the milestone release of v.9.0, has a strong platform on which to build additional features. Although F5 continued to grow its top-line revenue, its older core software constrained it from delivering advanced features to assist enterprise application performance. V.9.0 enables F5 not only to deliver features such as a full TCP proxy and in-line data compression but also to provide more-granular, policy-based control of these features. In addition, it has built a scalable, role-driven management interface that will help with further integration of the full F5 product set onto a common platform. On the downside, some users have found the interface complex. F5 must address this by removing much of the complexity for different types of management roles. F5 continues to build a large community of users, developers and integrators by taking advantage of F5's Solution Centre and

DevCentral knowledge base. The focus on application delivery and secure access has been a significant contributor to F5's success leading up to the v.9.0 release. F5 is one of the thought leaders in the market and offers growing feature richness. Add F5 to your shortlist for application delivery.

Radware has emerged with a broad set of capabilities across application delivery and related security markets. Although providing a strong solution, Radware must address two major issues:

- The approach of providing numerous appliances for different functions within the data center. The market direction is clear, and we are predicting greater integration of application delivery functions.
- The growing focus on security. Although this has been a successful endeavor for Radware, the vendor must be careful to position security as a complement to its application delivery business.

Radware needs to integrate what are increasingly seen as features in its application delivery suite and leverage its innovations in security to benefit the application delivery business to avoid losing ground to players better focused on this market. Evaluate the suite of application delivery, optimization and security capabilities available from Radware, and check that Radware stays focused on key requirements.

Redline Networks has moved from the Visionaries quadrant into the Leaders quadrant based on strong execution during the past six months. Redline (along with FineGround) is completely focused on enterprise application delivery; combined with sharp marketing and positioning, this has significantly increased Redline's market traction. Redline has done a good job in quantifying the benefits of its solutions across a variety of enterprise application environments. Its E/X appliance combined with OverDrive's application programming interfaces provide an extensible, scalable platform integrating key application delivery functions of compression, connection management, dynamic caching, Secure Sockets Layer (SSL) offload and load balancing. More-specific application optimizations are expected in 2005. Key to Redline's success will be an evolution toward a higher-performance, architectural solution that addresses most of the requirements around the intersection of applications, networking and security, rather than solving individual application challenges. Without this evolution, Redline will be under increased competition from vendors with more-comprehensive offerings.

Visionaries

FineGround has made significant strides since early 2004. Its packaging and product positioning had severely bounded its addressable market. Today, its appliance-based solution is gaining traction in the market. New marketing and product positioning are helping FineGround gain market share across the entire application delivery spectrum. Its global original equipment manufacturer (OEM) and distribution agreement with BMC Software will provide additional reach, especially into Global 2000 accounts. FineGround is relatively unique in that its primary focus is on the performance components of application delivery. Coupled with strong HTML and latency-related optimizations, this can enhance enterprise application performance. FineGround will normally improve enterprise application performance by a factor of two to five times (that is, reducing end-user delay by 50 percent to 80 percent). Its portfolio includes an agentless monitoring solution (AppScope) and a new application layer security feature (AppScreen). FineGround is also expanding its application reach by pushing into XML optimizations. Because it does not provide a load-balancing solution, FineGround will be deployed in conjunction with other availability/offload solutions such as systems-based clustering and load-balancing software or legacy load-balancing/SSL appliance solutions. Companies experiencing significant application performance issues should consider FineGround's Application Delivery offerings.

Netli is the only service provider in this Magic Quadrant comprised primarily of product companies. Netli optimizations only apply to clients that are connected to the Internet; however, we expect Netli to offer intranet capabilities during 2005. We have included Netli in the Magic Quadrant because of the compelling results it achieves with enterprise applications. It is common to see performance improvements of 60 percent to 75 percent for many types of enterprise applications. The Netli solution is unique in that it brings symmetric-style WAN optimization techniques to individual users of Web-based applications and is completely transparent in the data center. By combining its unique service offerings of optimization, monitoring and business continuity with an enterprise platform, Netli has the opportunity to deliver high levels of application optimization. Companies struggling to achieve acceptable levels of performance for individual users (road warriors, business partners or consumers) should consider Netli. We expect that Netli will expand its capabilities into mainstream enterprise deployment.

NetScaler has a strong feature set and uses many of the largest Internet sites as a proving ground for its technology. Through innovative capabilities integrating SSL virtual private network (VPN) and application delivery solutions, NetScaler is the only vendor that can apply optimization technologies for all applications running through its SSL VPN sessions. NetScaler's optimizations are, in many ways, more scalable and heading toward a more-architectural solution than others in the market; however, it has not focused enough attention on marketing its capabilities to the enterprise. NetScaler has also struggled with its product road map across application delivery and related optimization capabilities, and SSL VPN and security. It has no shortage of ideas, but it needs to improve product packaging. NetScaler is moving in a positive direction. It is making an effort to better describe its capabilities in the enterprise and has formed a customer council to mine the benefits of its solutions and gain market recognition. Recent work with IBM Global Services has helped NetScaler gain traction and experience in key vertical industries. Companies that want high performance and a broad set of capabilities in the data center should look at NetScaler solutions.

Swan Labs emerged in 4Q04 as a new player in the application acceleration marketplace. During the past three months, Swan Labs has received $15 million of funding, and acquired NetCelera WAN optimization technologies and technology assets from Piva for HTML application optimization. Swan Labs' vision is sound and a leading indicator of its market direction. More important in the near term is for Swan Labs to build a credible distribution model and support organization, and to integrate the technology road map and products from its two acquisitions. Carefully examine Swan Labs' execution capabilities.

Zeus Technology is another new entrant in the Web-enabled application delivery market. Zeus has been around since 1995, primarily as a supplier of Web-server software. Zeus has applied its experience in HTML to application delivery. The Zeus solution can be deployed as a software application or on standard hardware as an appliance. We expect Zeus deployments to follow the rest of the market, with appliance solutions dominating. Despite using off-the-shelf appliances, Zeus manages to get extremely high performance. Its solution contains most of the features expected in an advanced application delivery platform; Zeus is aggressively pushing into XML optimizations, which illustrates the continued consolidation of functionally in the market. On the business front, Zeus has added to its senior management ranks, and is rapidly expanding its partner and channel programs.

Niche Players

Most of the niche vendors lack key features and should only be considered when companies do not require advanced features.

Array Networks has all the makings of a complete solution from a technical product foundation, but continues to drift with fluctuating strategies and execution.

Cisco Systems, by its sheer size and financial resources, can never be considered out of a market. However, its lack of demonstrated execution and vision in the application delivery market continues to drop it further behind the competition. At this point, Cisco does not represent a viable solution for enterprise application delivery requirements; consequently, look to other vendors in this market for solutions.

Coyote Point Systems survives on the fringes of the market. Coyote Point's primary positioning is through price, although even that is not as differentiated as in the past. One exceptional capability is a highly granular, location-based feature called Emissary. This provides a significant improvement over other global load-balancing solutions. Coyote Point is seeing an uptake in its business due to an OEM agreement with Dell.

Foundry Networks and Nortel Networks are still lagging behind market innovations. Both have large installed bases of legacy load-balancing solutions, but neither is well-positioned in enterprise data centers. Foundry recently announced some acceleration appliances to complement its ServerIron products. However, it lacks a focus on specific applications, and the reliance on two devices is a shortcoming. ServerIron customers should evaluate the new appliance when it becomes available, which will likely be in 1Q05.

Inkra Networks is at a crossroads with its direction. During the past six months, Inkra's focus has been on virtualization capabilities, especially supporting security and availability functions in the data center. It is likely that Inkra will migrate away from application delivery to focus on applying its virtualization technologies for the benefit of real-time data center infrastructures.

Key Issues

Which enterprise communications equipment vendors will be most successful in the next five years?

Acronym Key]

OEM	original equipment manufacturer
SSL	Secure Sockets Layer
VPN	virtual private network