

Oracle's 'Unbreakable Linux' Will Threaten Red Hat

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Oracle's Linux support offering is a more complete solution than Red Hat's. Oracle aims to assert more influence on Linux adoption, accelerate Oracle DBMS acceptance and bolster Linux against Windows.

NEWS ANALYSIS

Event

On 25 October 2006 at Oracle OpenWorld, Oracle announced "Unbreakable Linux." Oracle will provide full support for the Red Hat Linux distribution and will compete against Red Hat's support. It will offer discounts until 31 January 2007 and claims its list prices, on average, will be 50% lower than Red Hat's list prices. Oracle promised to indemnify users against Linux patent infringements.

Analysis

Oracle is positioning itself as a better Red Hat service provider than Red Hat and says it had to take this step as it feared Linux adoption rates would suffer. The move is endorsed by leading hardware and software vendors, including IBM, HP, Dell, Intel, EMC and BMC. Oracle claims it will maintain code compatibility with patches and updates and remove all trademark references in the Red Hat source.

Gartner has previously stated that Red Hat users will likely face increasing support and service problems as Linux-based mission-critical systems become more complex. Users have also told us that neither Red Hat nor Oracle has been quick to resolve problems with Oracle Database 10g database management system (DBMS) implementations such as Real Application Clusters (RAC), often resulting in finger-pointing. And as the number of unresolved problems and the perceived unresponsiveness of Red Hat have increased, so has user dissatisfaction with Red Hat's subscription price. As a result, many Red Hat users have moved to Unix or to an alternative Linux, such as Novell's SUSE.

Red Hat's dominance is due to users needing to rely on a standard distribution that has widespread industry support and certification, which means they don't need to worry about patch management or whether the kernel has been modified ("forked"). Oracle's intention to provide the open-source community with patches could still potentially result in forks. For example, Red Hat might fail to endorse a patch and create its own workaround. A business with more than one distribution could find they are not synchronized. To reduce this concern, Oracle has joined the Free Standards Group.

Oracle's entry into the Linux support market will inevitably slow Red Hat's momentum and raises doubts about its long-term viability. Just as significant, Oracle has given the growing commercial open-source vendor community a wake-up call. It is demonstrating that proprietary-licensed vendors have the means to selectively adopt open-source business models in a way that turns the tables on who is marginalizing whom.

RECOMMENDATIONS

Red Hat customers:

- Undertake compatibility testing of an "all-Oracle Linux world" in data centers. As part of this, consider piloting one or two mission-critical systems, especially maximally loaded ones. Ensure that independent software vendors confirm, in writing, that they will keep their software synchronized with Oracle's distribution or how they will address variances
- If you are content with Red Hat's quality of support, renegotiate contracts with Red Hat. Large accounts should expect 50% to 70% discounts on list prices.

- If you are not content with Red Hat's quality of support or require indemnification — which Oracle's Premier program can supply, assuming that Oracle's terms meet your legal requirements — and have no compatibility issues with Oracle, consider Unbreakable Linux.

RECOMMENDED READING

- "Take Steps to Contain Costs as Linux Subscription and Support Rises" — Don't accept the first Linux distribution proposal and be sure to negotiate for price reductions, which can result in cost savings of 50% to 70%. **By George Weiss**
- "Red Hat: Assessment of Future Challenges" — We expect competitive threats to disrupt Red Hat's momentum before 4Q09. **By George Weiss**

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