Market Analysis

The Embedded Landscape for 2003

Abstract: The telecommunications market is the largest consumer of tools and RTOSs, and the lingering downturn in this end-user market has strongly affected the sales of embedded software development tools and RTOSs.

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Strategic Market Statement

Continuing consolidation is foreseen as the market is still very fragmented.
Marketplace Description

Embedded software development tools are used to design and develop applications for embedded systems. Embedded systems range from small simple devices to complex multifunction devices that run several applications performing dedicated tasks. A real-time operating system (RTOS) is often used but not always required in an embedded device.

The Landscape

The market for embedded software development tools and RTOSs is highly fragmented. Gartner Dataquest presents the different subapplication markets within the larger market. Several vendors have products for different market segments, but many different point tool vendors are in each of the markets as well. While these submarkets share many characteristics of the overall market, they also tend to have certain market dynamics that differentiate them from the other markets.

Gartner Dataquest Perspective

The telecommunications market is the largest consumer of tools and RTOSs, and the lingering downturn in this end-user market has strongly affected the sales of embedded software development tools and RTOSs. Reductions in force, restructuring and project cancellation data from user surveys all point to a less-than-stellar 2002.

The market saw several mergers and acquisitions during the year as well as some companies exiting the field. Most noteworthy were the acquisitions of Accelerated Technology by Mentor Graphics and Lineo by Metrowerks. Applied Microsystems sold off its embedded products to Metrowerks and exited the market.

A poster showing the Gartner Dataquest Embedded Landscape is also available. Please contact us or your salesperson for a copy.

Key Issue

What is the competitive landscape like in the design and engineering applications and how is it evolving?