

# A Tale of Three Communities

Marketing and Making Money In Open Source

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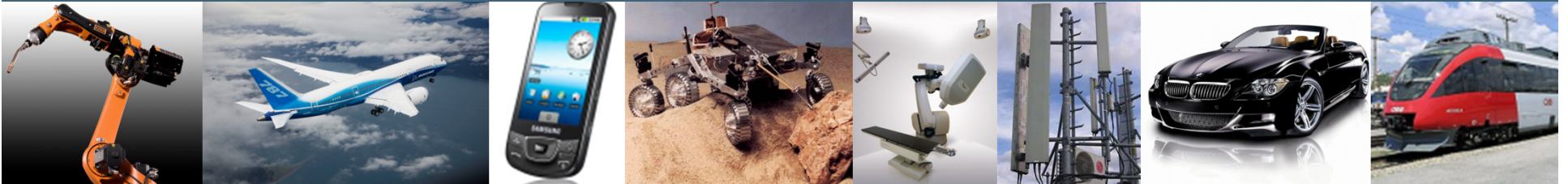
# Answer the Following Questions

- Who makes up Open Source Software (OSS) community?
- How does this ecosystem work together?
- Are Linux-based companies making money?
- How are they doing this?
- How is open source marketing different than proprietary?
- So what is next?

# A little about Wind River

- Over 1 Billion Devices Deployed
- Embedded Software Market Leader
  - #1 RTOS - VxWorks
  - #1 Embedded Linux
  - #1 Embedded Type 1 Hypervisor
- Top 5 OEMs Provider in Android, Meego and IVI

Wind River Salutes Linux on it's 20<sup>th</sup> Anniversary



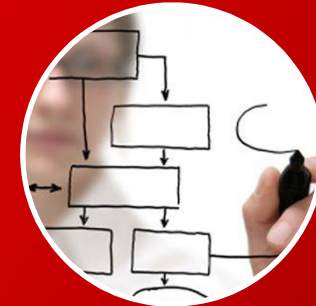
# Three Communities



Producers  
a.k.a  
Open Source  
Projects



Distributors  
a.k.a  
Commercial  
Linux Vendors



Consumers  
a.k.a  
Users and  
Developers



# Producers

- A distributed collaborative community
- A whole new way of developing and producing software
- Interested in solving a problem, in adoption and use
- Choice of the way they make their work available is an important decision
- Do not set the price of software
- Meritocracy, hearts and minds of developers important to success





# Examples of Producers



# Consumers



- No Vendor Lock-in
- Comparable Performance and High Quality
- Time to Market and Savings
- Choice and Flexibility
- Empowerment
- Innovation and Transparency

# Examples of Consumers



BT, Deutsche Telekom, TeliaSonera, NTT, Verizon, Telefonica

D-Link, SAGEM, ARRIS, OKI, BELKIN, SUMITOMO, ZTE

Thomson, MOTOROLA, HUAWEI, CISCO, Actiontec, NAKAYO, PIRELLI, saxa, NETGEAR, ZWIRE

alpha, ZyXEL, SUMITOMO, CyberTAN, ADB

CAVIUM NETWORKS, intel, MDSPEED, freescale, BROADCOM, RENESAS, ATHEROS, BROADLINK



# Distributor or Service Provider

- Sources, integrates, extends, supports open source software
- Creates widespread adoption and makes it safe to use
- Hires developers who are engines of the open source innovation
- Extends for usability and reliability and contributes back
- Provides marketing for open source projects
- Advocates for the consumer



# Where does the distributor add value?

- Hardware company
  - Total Solution with Hardware and OSS
- Software company
  - Distribution Integration and Usability
  - Roadmap and Upgrades (reduces fragmentation)
  - Support – Accountability, SLA, Contractual
- Support and Services company
  - Support and customization services
- Solutions company
  - All of the above

## Top 3 Barriers to OSS Usage\*

1. Technical Skills
2. Knowledge of OS
3. Lack of Commercial Support

# Relationship is Symbiotic and Collaborative



**Producers**

**Fast Innovation,  
Eyeballs, Transparency  
Empowerment, Collaboration**

**Distributors**

**Markets, Extends Adoption  
Mitigates Risk, Creates Stability  
Contributes, Advocates**

# The Embedded Story



Autos



Retail  
POS



Mobile



Gaming



ATMs



Printers



TVs



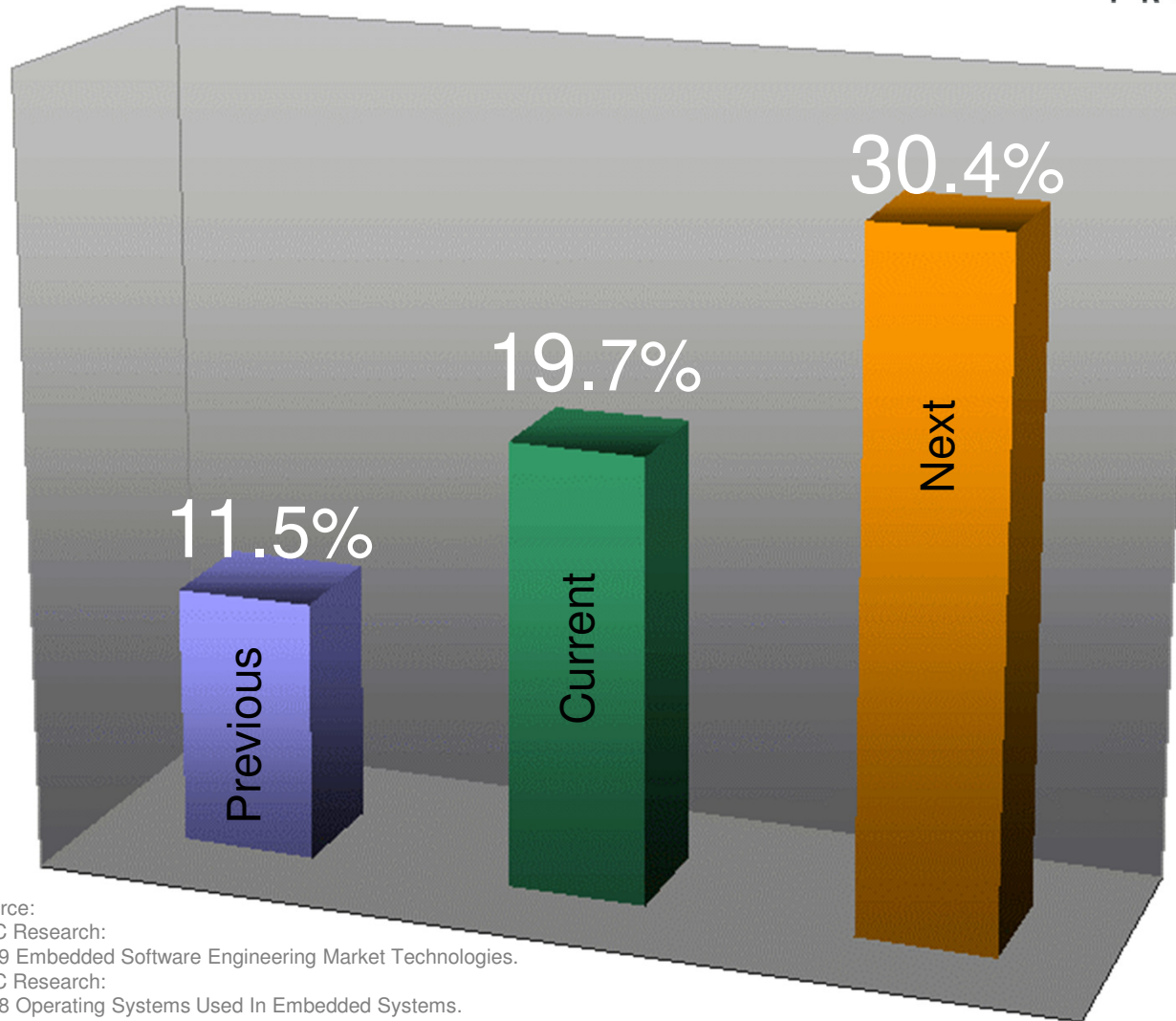
Industrial



Appliances



Medical



Source:  
VDC Research:  
2009 Embedded Software Engineering Market Technologies.  
VDC Research:  
2008 Operating Systems Used In Embedded Systems.

# Successful Business Models

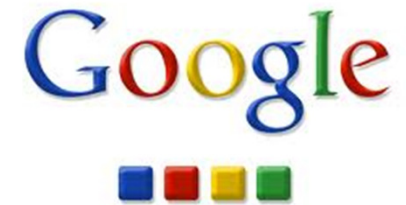
- Subscription
  - Support and Stream of Updates
- Services Fees
  - Implementation, Customization and Consulting
- Perpetual License
  - Access to software through a perpetual license
- Other
  - Documentation, Training, Proprietary Extensions etc.



Revenue Models are Built on Software As The Platform



# Success Stories



# Marketing Open Source is Different. Really different.

Marketing and pricing solutions perceived as free is tricky

Many alternatives and easy to switch

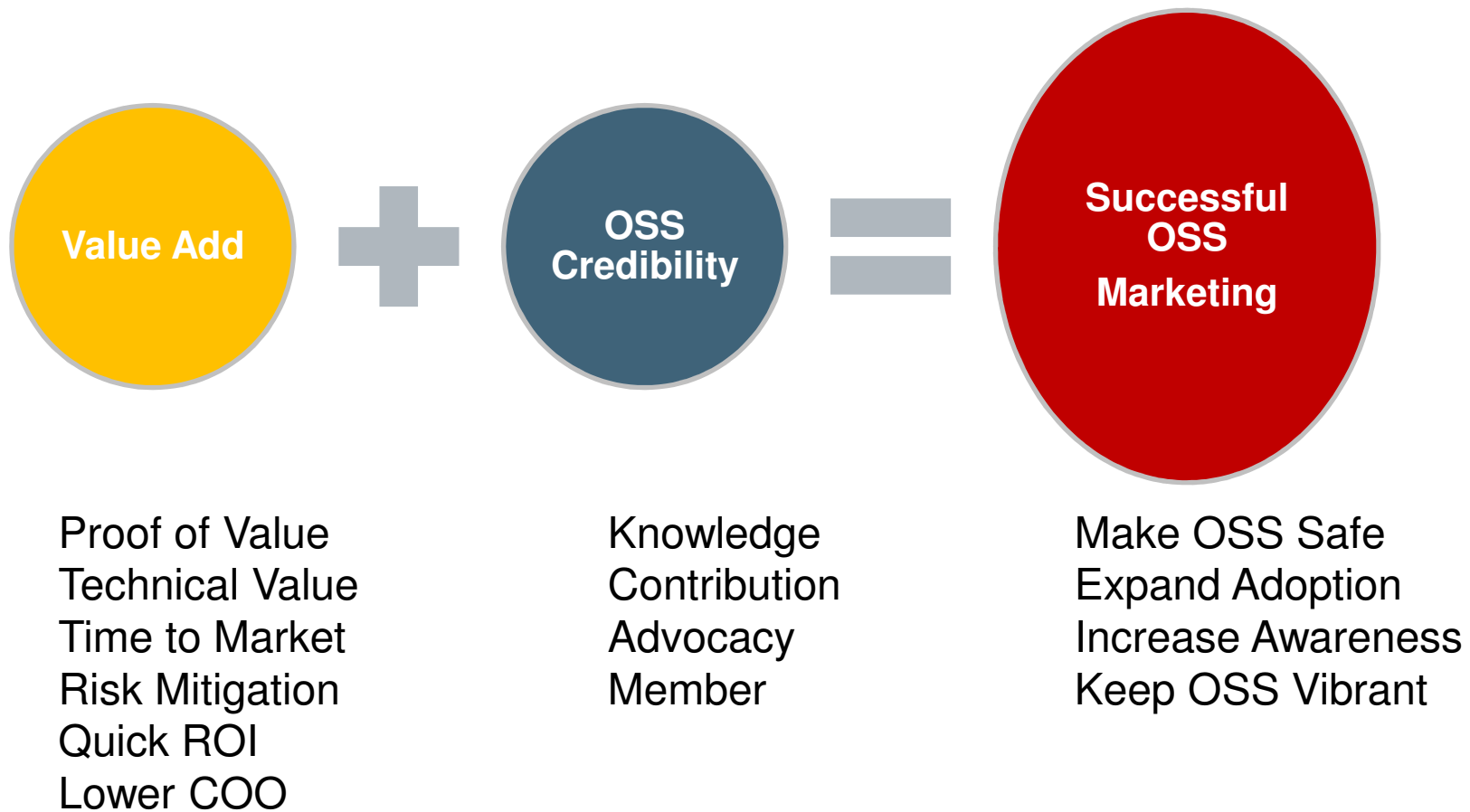
Low acquisition cost

Lack of knowledge

Fear of risk and the unknown

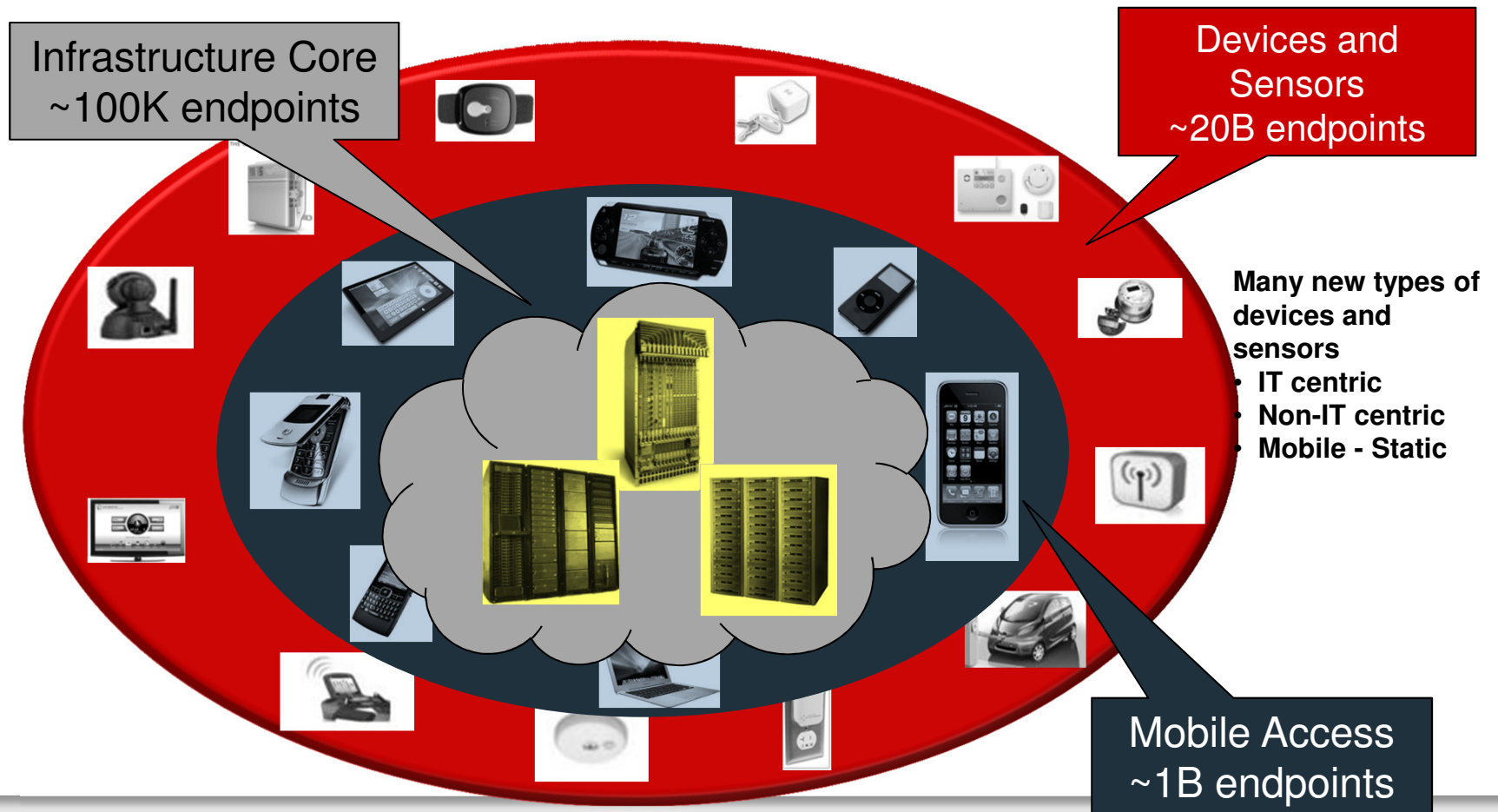


# Marketing Open Source Software



# By 2021.....or before.

Explosive Internet Growth from Computers, Mobile Access and Devices  
**SCALE** and **DIVERSITY** surpass the traditional model of networking and IT



# How will OSS adapt and thrive?

New interconnected world of intelligent devices is disruptive. It will require:

- **Mass Customization and Vibrant Collaboration across the 3 Communities**
- **Common Formats, Standards, Infrastructure and Tools**
- **Emerging Business Models**



