

# Oracle goes aggressively downmarket with new database appliance offerings

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Tony Baer

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## Ovum view

### Summary

Ever since introducing the database appliance roughly five years ago, Oracle has targeted midsize customers outside its traditional global enterprise base. With the latest refresh, Oracle has added a couple of models aimed at even lower points of the market than its existing offering. More to the point, these models target single-instance database use cases using Oracle Database Standard Edition 2 (SE 2), at roughly 30–50% of the cost of its existing high-availability, enterprise edition model.

### Targeting the midmarket

Oracle first entered the database appliance market with the aim of simplifying a complex problem: mounting a highly available (HA) database with fault tolerance and advanced disaster recovery (DR) in a preconfigured box. While Oracle's initial thrust into the database appliance market carved inroads into the midsize enterprise market for on-premise databases, it overlooked the type of organization that only needed single-instance deployments without sophisticated HA or DR capabilities. In essence, Oracle was targeting organizations that might otherwise be candidates for MySQL (which Oracle owns), MariaDB, or EnterpriseDB, but with applications optimized for Oracle databases.

The new models, the Oracle Database Appliance X6-2S and X6-2M, are targeted exactly for those use cases. Sized at 10 and 20 compute cores, respectively, they are designed for the client that either runs one or a handful of modest-sized Oracle database instances, using SE 2 (Enterprise Edition will also be supported, but is not likely to be a bigger seller with these new SKUs). Taking advantage of declining costs of silicon-based storage, both models swap out the hard drives with Non-Volatile Memory Express (NVME), an emerging form of storage that delivers faster write performance than Flash drives. (These are the same drives that are used in Exadata.)

With the database appliance Oracle competes in a market with heavily discounted pricing, going head to head with pure-play hardware providers such as Dell or HP. With the new offerings, Oracle downsizes the initial footprint, targeting a market it previously overlooked. Given the hypercompetitive nature of this market segment, the price leader on any given day is likely to vary. With the new X6 single-instance offerings, Oracle can now enter the short list with a product that should be channel-friendly.

## Appendix

### Author

Tony Baer, Principal Analyst, Information Management

[tony.baer@ovum.com](mailto:tony.baer@ovum.com)

## Ovum Consulting

We hope that this analysis will help you make informed and imaginative business decisions. If you have further requirements, Ovum's consulting team may be able to help you. For more information about Ovum's consulting capabilities, please contact us directly at [consulting@ovum.com](mailto:consulting@ovum.com).

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[analystsupport@ovum.com](mailto:analystsupport@ovum.com)

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