Oracle Increasing Prices in July?

Description

[vc_row][vc_column][vc_column_text]by Sheshagiri Anegondi (Sheshu)
Is Oracle planning to increase prices of their products in the coming few months ? This discussion is coming up because I saw an interesting tweet â?? this is shown below

ora increasing price tweet

Go onto read my views on this. But the bottom line first :

I donâ??t know whether Oracle will increase its list price of the main products or not. Most probably they will not. But, be ready to pay higher effective prices.

Now the details of my views and arguments :

1. Oracle last increased its prices for the Oracle database in 2008 when the price went up from US $40,000 to US $ 47,500 per processor license. Since then Oracle has not increased the price of the Oracle database.

2. Oracle regularly adjusts the price of many of their offerings on an intermittent basis. It is very difficult for customers to keep track of the changes. (We of course do !!!)

3. The pricing changes are carried out because of multiple reasons :

- US $ Depreciation (this is not the situation today)
- Addition of major feature sets to products
- Bundling of earlier separate ancillary products into a parent product
- The inclusion of products from acquired companies.
- The potential to increase revenue from a product that is beginning to sell in larger numbers than in the past.

Whatâ??s the grapevine saying

To be honest nobody in Oracle â?? except a very select few at their headquarters â?? would even be in the know of any price changes to the Oracle database. But, a large number of sales people are wanting the prices to increase. This is because, upto a point, the demand for the Oracle database is inelastic.

But, in my view, Oracle will not overtly increase the list price of it core database. Instead, they migh,

- Increase the prices of some of the options
- Increase the prices of some other middleware products

- Increase the prices of many of the application products (especially subsidiary products to the main products)
- Bundle a few options and give a new price to the bundled option.
- These are all possibilities that will see continuous execution through the next 2-18 months as their cloud offerings mature and on-premise offerings in the application space begin to taper.

The worries for customers are different

- The move to the cloud is forcing Oracle to increase revenue from their on-premise offerings and specially from their Technology products
- Oracle will reduce discounting. Negotiations with Oracle are going to be tougher.
- Audits are going to increase exponentially in the coming two quarters.

Oracle Price Increase for SAP Customers

Take a look at another post here showing the price increase for running Oracle database underneath your SAP applications.

(**Sheshagiri Anegondi (Sheshu)** is the founder of iTAM India Services and Rythium Technologies LLP â?? firms set up to provide products and services on Software License Management. These firms help customers in Audit Defense, Software License Optimization, Software Contract Negotiations through their consulting offerings. The firm is also releasing their first set of products for compliance and contract management in late July 2015. Sheshu can be reached on sheshu@itamindia.com . You can see the service offerings at www.itamindia.com)

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You might want to read more about our CEO Sheshagiri Anegondi (Sheshu). He is amongst the foremost Oracle License Experts globally.[/vc_column_text][/vc_column][/vc_row]

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