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IBM Lotus Notes/Domino Market Analysis, 2010-2014

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SCOPE

This study examines the market for IBM Lotus Domino and Notes clients in both the On-Premises and Hosted Email Market. For all products, this study provides extensive 2010 data regarding installed base, broken out by business size, region, version, industry, along with four year forecasts. The report also examines the features, strategies, strengths and weaknesses of IBM Lotus Domino Server and IBM Lotus Notes.

The revenue projections and market share figures in the following sections do not include revenues from systems integration or professional services.

All market numbers, such as market size, forecasts, installed base, revenue information, and any financial information presented in this study represent *worldwide* figures, unless otherwise indicated. All revenue numbers are expressed in \$USD.

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METHODOLOGY

The information and analysis in this report is based on primary research conducted by The Radicati Group, Inc. It consists of information collected from vendors and users within global corporations via interviews and surveys.

Secondary research sources have also been used, where appropriate, to cross-check the information collected. These include company annual reports and market size information from various market segments of the computer industry.

EXECUTIVE SUMMARY

- This report analyzes the penetration of IBM's messaging server platform Lotus Domino, and IBM's email client Lotus Notes within both the On-Premises and the Hosted Email and Collaboration markets.
- IBM Lotus Notes/Domino 8.5 is the latest release of IBM Lotus Notes/Domino, with version 8.5.1 its latest update, and version 8.5.2 slated for release later this year.
 - IBM Lotus Domino 8.x has shown good uptake thus far and will continue to do so as companies are finding more incentive to upgrade from earlier versions. However, most enterprises waited until version 8.5 to upgrade their platforms and clients. Lotus Domino 8.5 optimizes performance by increasing storage space, reducing I/O hard drive loads, and minimizing CPU usage. All of these new features prolong the life of the server and help drive down TCO (Total Cost of Ownership).
 - With Lotus Notes/Domino 8.5.1 and 8.5.2, IBM is working towards rejuvenating the Lotus Notes application development community, while making strides to allow for more third-party innovation and improvement. For instance, IBM is releasing Domino Designer on a non-production basis for free, and XPages is constantly updated to give more power and freedom to developers. The new version also comes with a new licensing

scheme, as IBM has consolidated their licensing structures into two main bundles: the Messaging CAL and the Enterprise CAL. Another major point for these updates is adding mobile access to Lotus Notes/Domino.

- IBM also offers two other solutions for messaging and collaboration.
 - LotusLive is IBM's cloud-based messaging and collaboration suite. LotusLive is IBM's first foray into cloud-based computing, and provides a variety of solutions to the end user. Its products include: LotusLive Engage for a team collaboration, LotusLive Events for online event management, LotusLive Connections for business social networking, LotusLive Notes and iNotes for email, and LotusLive Meetings for hosting online meetings.
 - Lotus Foundations is a plug-and-play family of appliance solutions specifically built for SMBs. Lotus Foundations Start is intended to provide an easy to deploy, entry-level platform for SMBs with up to 500 users. The appliances include services for email and collaboration, file management, productivity tools, network security, and backup and disaster recovery.
- In 2010, IBM Lotus Domino will have an installed base of 192 million mailboxes, and is expected to grow to 266 million by 2014. This represents an average annual growth rate of 8%.
 - On-Premises Lotus Domino mailboxes account for the vast majority of the Lotus Domino mailboxes worldwide. In 2010, On-Premises Lotus Domino mailboxes will account for 89% of the Lotus Domino mailboxes worldwide.
 - Traditionally, IBM Lotus Notes/Domino has found most of its traction amongst Large and Very Large businesses, as larger organizations often require the powerful, advanced collaboration features offered by IBM.
- Figure 1, shows the worldwide installed base of IBM Notes/Domino categorized by mailbox type, in 2010 and 2014.

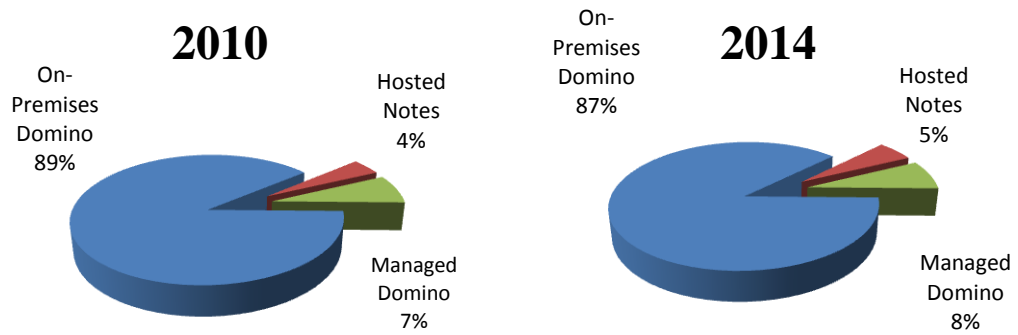


Figure 1: Worldwide IBM Lotus Domino Installed Base by Mailbox Type, 2010 vs. 2014

**To view the complete Table of Contents for this report,
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