Google Apps vs. Microsoft Office 365 – An Analyst Evaluation and Comparison, 2012-2016

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SCOPE

This study looks at the market for Cloud-based Productivity Suites and compares and contrasts the key features and capabilities of two leading offerings in this market: Google

Apps and Microsoft Office 365. The study also provides 2012 market data including installed base market size, vendor market share and forecasts from 2012 to 2016.

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.

METHODOLOGY

The information and opinions presented in this report are based on information collected by The Radicati Group, Inc. through a combination of the following sources:

- *Vendor Information* - This includes information about the features and services offered by each vendor available publicly through their own documentation and blogs, as well as customer blogs and online reviews.

- *Hands-on Product Review* - This is based on our own installation and use of the vendor products and features in the context of our internal operations.

- *Surveys and Informal Discussions with Customers* - This includes on-going surveys in various areas of messaging, collaboration, archiving, security, and mobility technologies which we conduct on an annual basis, as well as informal discussions with customers.

EXECUTIVE SUMMARY

- Cloud-based Productivity Suites are all-in-one solutions that package together a wide range of communication, collaboration, and document management tools for businesses.

- Cloud-based Productivity Suites have evolved to replace the traditional desktop, and today typically include: *Email*, *Calendaring, Productivity Tools*, *Document*

Storage and Document Sharing, *Team Sites, Business Social Networks*, *Instant Messaging (IM)*, *Mobility,* and more.

- Cloud-based Productivity Suites are gaining in popularity for a number of reasons, including reduced costs, improved accessibility, and increased resiliency. The leading factor by far, however, has been the reduced costs these suites can provide.

  - A Cloud-based Productivity Suite including all features listed above will typically run on the order of $80 to $300 per user/year, as opposed to assembling all the above functionality through on-premise solutions which can run on the order of $500 to $1,500 per user/year.

- There are a number of Cloud-based Productivity Suite providers today with new ones emerging rapidly. However, Google Apps and Microsoft Office 365 are by far the largest Cloud-based Productivity Suite providers today.

  - *Google Apps*: Google Apps is a cloud-based communications and collaboration suite that is targeted at SMBs, Enterprises, Universities, as well as Government institutions. The suite is packaged around a secure Gmail solution designed for Businesses. It also includes Google Calendar for scheduling events, Google Docs for productivity tools, Google Sites for team sites, and more.

  - *Microsoft Office 365*: Microsoft Office 365 is a cloud-based messaging and collaboration suite that is targeted at SMBs, Enterprises, Universities, as well as Government institutions. The suite includes Microsoft Exchange Online, Microsoft SharePoint Online, Microsoft Lync Online, Microsoft Office Professional Plus, Microsoft Office Web Apps, and more.

  - Additional Cloud-based Productivity Suites today include *IBM Lotus LotusLive/SmartCloud for Social Business, HyperOffice*, *Zoho Office Suite*, and others.

- Google Apps and Microsoft Office 365 both offer very rich sets of feature and functionality to meet highly complex customer needs. It would be impossible to do a complete side-by-side comparison of each feature. However, this report groups the major features and functionalities into 10 high level categories that we use to compare and contrast each suite, as follows:

  - o Cloud Infrastructure
  - o Migration and Customer Support
  - o Administration
  - o Accessibility
  - o Communication Services
  - o Content Services
  - o Security
  - o Mobile Services
  - o Pricing
  - o Third-Party Support

- The bulk of this report provides our view and analysis of how Google Apps and Microsoft Office 365 compare and compete in each of the above categories. Figure 1, shows the number of forecasted growth of the Cloud-based Productivity Suites market from 2012 to 2016.

Figure 1: Worldwide Cloud-based Productivity Suite Market – Revenue Forecast ($M), 2012-2016

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