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Microsoft Exchange Server and Outlook Market Analysis, 2013-2017

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SCOPE

This study examines the markets for Microsoft Exchange Server, Microsoft Office 365, Microsoft Outlook, Microsoft Outlook Web App (OWA), and Outlook.com. For all products, this study provides extensive 2013 data regarding installed base, broken out by industry, business size, region, version, and other variables, along with four year forecasts. In addition, features, strategies, strengths, and weaknesses of each product are covered.

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.

This report uses the terms “mailboxes” and “accounts” interchangeably.

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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

- Microsoft continues to be the leading vendor in the Email and Collaboration space with its Microsoft Exchange Server and Office 365 solutions. Combined, Microsoft Exchange Server and Microsoft Office 365 currently account for 51% of worldwide mailboxes in the Business Email and Collaboration market.
- Over the past year, Microsoft has rolled out its 2013 server technology, which includes Microsoft Exchange Server 2013, Microsoft SharePoint 2013, and Microsoft Lync 2013. These upgrades have introduced a host of new features for both its on-premises and cloud-based offerings. With the 2013 versions, Microsoft has aimed to provide a more social experience by including deeper integration of its three offerings with Skype, and Yammer.
- The latest version of Microsoft Office 365 for businesses was released in February 2013, and includes the latest versions of Microsoft Office Professional Plus, Microsoft Office Web Apps, Microsoft Exchange Online, Microsoft SharePoint Online, and Microsoft Lync Online. Microsoft's cloud offering is expected to remain a leader in the cloud business email space over the next four years. Microsoft Office 365 extends much of the functionality of Microsoft's 2013 server technology to customers at a reasonable price with low deployment and maintenance costs. Notable features of the latest version of Microsoft Office 365 include integration with Yammer, Skype, and SkyDrive, as well as new pricing plans that better accommodate organizations of any size.

- Microsoft's success in the Education Sector has also continued with its Microsoft Office 365 Education offering, which replaced its older offering for universities, Live@edu. Microsoft Office 365 Education is aimed at students, faculty, and staff.
- Microsoft released Microsoft Outlook 2013 in January 2013, as part of the Microsoft Office 2013 productivity suite. Microsoft Outlook 2013 strives to create a more social experience for users with its People Cards, which act as central hubs of communication between users. However, the vast majority of the changes in Microsoft Outlook 2013 are cosmetic, which may leave some customers disappointed with the lack of new functionality. Despite this, we expect adoption of Microsoft Outlook 2013 to grow over the next four years, as mainstream support for Microsoft Office 2010 ends and organizations upgrade end-users to the latest functionality provided by the Microsoft Office 2013 productivity suite.
- Microsoft Outlook Web App (OWA) is still being used primarily as a complement to Microsoft Outlook, when end-users are out of the office and away from their desk. With the release of Microsoft Exchange Server 2013, Microsoft has greatly improved Microsoft OWA's anywhere access through new features, such as offline access and apps integration, which allow the webmail client to more closely resemble a fully-featured desktop experience.
- Cloud-based Business mailboxes offered through Microsoft Office 365 and Microsoft Hosting Partners currently account for 15% of worldwide Microsoft Exchange Server mailboxes, while On-Premises mailboxes still represent an 85% market share.

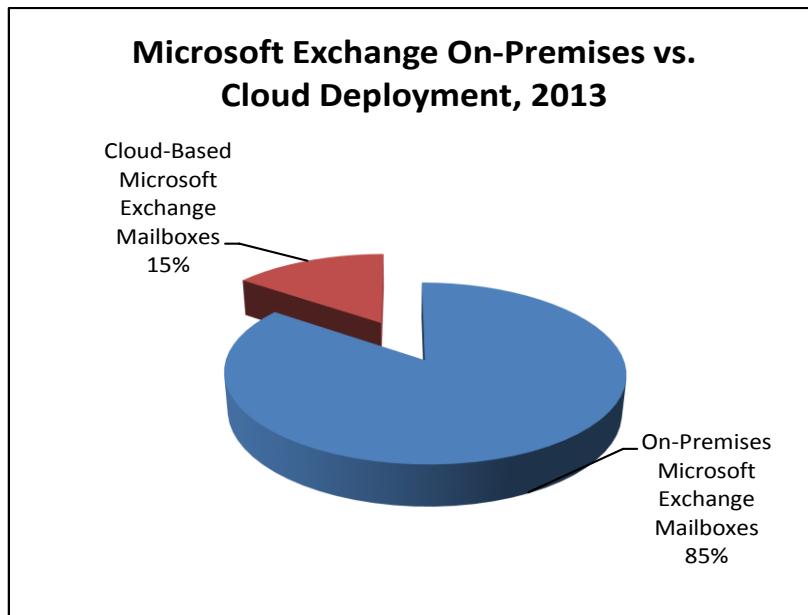


Figure 1: Microsoft Exchange On-Premises vs. Cloud Deployment, 2013

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