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Email Market, 2014-2018

SCOPE

This study provides an analysis of the Email market in 2014, and its potential growth over the next four years. It provides detailed market trends, market share, market size, forecasts, and an analysis of key vendors and cloud providers.

This study segments the Email market as follows:

- Enterprise Messaging Platforms on-premises email and collaboration platforms that cater to the needs organizations of all sizes.
- **Cloud Business Email** cloud-based email services targeted at business organizations of all sizes for use in a multi-tenant or dedicated environment.
- Consumer Email cloud-based email solutions targeted at consumers.
- **Messaging Platforms for Service Providers** messaging platforms deployed by business-oriented and consumer-oriented service providers to provide email services to their subscribers.
- **Email Clients** desktop or web-based interfaces for accessing and working with email.

EUROPE: LONDON NW3 5JY • TEL. +44 (0)207 794 4298 Email: admin@radicati.com http://www.radicati.com All market numbers, such as market size, forecasts, revenue information, and any financial information presented in this study represent worldwide figures, geographical breakouts are also provided where appropriate. All revenue numbers are expressed in **\$USD**.

Installed base mailbox figures represent *active* mailboxes, which we define as mailboxes that are used at least once every three months. Email aliases are not counted as a separate unit.

Throughout this report the terms email and messaging are used interchangeably.

This study does not include data on the number of mobile email users.

METHODOLOGY

The information and analysis in this report is based on primary research conducted by The Radicati Group, Inc. Our proprietary methodology combines information derived from three principal sources:

a. Our Worldwide Database which tracks user population, seat count, enterprise adoption and IT use from 1993 onwards.

b. Surveys conducted on an on-going basis in all market areas which we cover.

c. Market share, revenue, sales and customer demand information derived from vendor briefings.

Forecasts are based on historical information as well as our in-depth knowledge of market conditions and how we believe markets will evolve over time.

Finally, secondary research sources have also been used, where appropriate, to crosscheck all the information we collect. These include company annual reports and other financial disclosures, industry trade association material, published government statistics and other published sources.

Our research processes and methodologies are proprietary and confidential.

EXECUTIVE SUMMARY

- The Email Market continues to grow both in terms of users and revenues. Worldwide email users are expected to grow over the next four years to over 2.8 billion users. Email remains the most prevalent and ubiquitous form of communication today. Email accounts are required for any form of Internet presence from signing on to social media sites, to shopping online to other forms of online communication.
 - Today, there are over 2.5 billion email users worldwide, and this figure is expected to grow to over 2.8 billion by year-end 2018. Worldwide revenues for the Email Market will top \$12 billion in 2014, and grow to over \$23.5 billion by year-end 2018, representing an average annual growth rate of 18%. Table 1, shows this growth forecast from 2014 to 2018.

Worldwide Email Market Forecast	2014	2015	2016	2017	2018
Worldwide Email Users (M)	2,504	2,586	2,672	2,760	2,849
% change		3%	3%	3%	3%
Worldwide Email Market Revenues (\$M)	\$12,041	\$14,438	\$17,767	\$20,435	\$23,546
% change		20%	23%	15%	15%

Table 1: Worldwide Email Market Forecast, 2014-2018

- This report looks at the Email Market as comprising five segments:
 - Enterprise Messaging Platforms are on-premises email and collaboration platforms that cater to the needs of organizations of all sizes. Leading Enterprise Email Platform vendors, include: *IBM*, *Microsoft*, *Novell*, and many others.
 - Cloud Business Email are multi-tenant and dedicated email and collaboration services that provide feature-rich, enterprise-grade functionality to organizations of all sizes. Leading Cloud Business Email providers include: *Apptix, AppRiver, Ceryx, Google, IBM, Intermedia, Microsoft, NaviSite, Rackspace, SilverSky,* and many others.

- Consumer Email are email services geared towards consumers. Leading consumer email services, include: *Google (Gmail), Microsoft (Outlook.com), Yahoo! (Mail)*, and many others.
- Messaging Platforms for Service Providers are highly scalable and reliable messaging platforms designed to allow service providers to offer email services to an increasing number of users. Leading platforms include: *Openwave Messaging, Oracle, Open-Xchange, Zimbra* and many others.
- Email Clients desktop or web-based interfaces for accessing and working with email. Leading clients include: *IBM Notes, Microsoft Outlook*, and many others.
- Key trends shaping the Email market today, include:
 - Growing Cloud Adoption Cloud-based email services are here to stay and are seeing exponential growth year to year. While cloud-based email services were initially appealing only to smaller organizations with limited budgets, now cloud email and collaboration is seeing strong adoption with organizations of all sizes across all verticals.
 - *Robust Security Features* The safety of sensitive data in email remains a key concern for organizations of all sizes.
 - Mobile Access Mobile device use has seen exponential growth in the business space over the past few years. All Email vendors must meet this demand by offering solid browser-based webmail and mobile access experiences.
 - Unified Communications A growing demand for voice features has blurred the line between Messaging Platforms and Unified Communications (UC). Most Messaging Platforms now offer customers advanced UC functionality, including IM, web conferencing, voice, and video.
 - Social Networking Integration Social networking has also become increasingly important and users, today, expect to easily connect with contacts on multiple social networks. Email vendors have added integration with popular social

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networks, such as Facebook and LinkedIn, as well as with business social networks.

- The total worldwide email traffic, including both Business and Consumer emails, is estimated to be over 196 billion emails/day by year-end 2014, growing to nearly 228 billion emails/day by the end of 2018.
- Most email traffic comes from the Business segment. In 2014, the number of Business emails sent and received per day total nearly 109 billion. This figure is expected to grow at an average annual rate of 7% over the next four years, reaching over 139 billion by the end of 2018.

Daily Email Traffic	2014	2015	2016	2017	2018
Total Worldwide Emails Per Day (B)	196.3	204.1	212.1	220.4	227.7
% Change		4%	4%	4%	3%
Business Emails Per Day (B)	108.7	116.2	123.9	132.1	139.4
% Change		7%	7%	7%	6%
Consumer Emails Per Day (B)	87.6	87.9	88.2	88.3	88.3
% Change		0.3%	0.3%	0.1%	0.0%

 Table 2: Worldwide Daily Email Traffic, 2014-2018

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