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Hosted Unified Communications Market, 2009-2013

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SCOPE

This study provides an analysis of the Hosted Unified Communications market in 2009 and its potential growth over the next four years. The study provides a detailed analysis of market trends, and also examines features, strengths, and weaknesses of various Hosted UC offerings.

For each market segment, we provide data on current worldwide installed base, vendor market share, revenues, and forecasted market growth from 2009 to 2013.

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

METHODOLOGY

The data and analysis in this report is based on primary research conducted by The Radicati Group, Inc. It consists of data collected from service providers, vendors, and corporate enterprises via interviews and surveys.

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

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EXECUTIVE SUMMARY

- The Unified Communications (UC) market is comprised of solutions that offer integrated voice, messaging, collaboration, and presence capabilities that can be easily accessed and managed through a single interface. The goal of UC is to improve user communication, productivity, and efficiency, while reducing human latency and decision making time.
- UC solutions are available as either Hosted (i.e. SaaS) offerings, or On-premises solutions. This report concentrates only on Hosted UC offerings. All of the services profiled in this report are either a complete UC offering, or a combination of services from various providers that are tied together through a single user interface.
- This report looks at the Hosted UC market as comprising two segments: Hosted UC Providers, and Telecom UC Providers, defined as follows:
 - *Hosted UC Providers*: This segment includes pure-play UC providers, messaging providers, and voicemail/fax solution providers that deliver UC solutions targeted mainly at business customers.
 - *Telecom UC Providers*: This segment includes ISPs, fixed and wireless carriers that deliver UC solutions to subscribers as part of a broader telecom offering targeted at both consumer and business customers.
- The Hosted UC market has been growing quickly as many new providers from very different communication backgrounds have been entering the market in the last 12 months.
- An increasing number of Hosted IP-based UC platforms are available. As IP-based telephony systems offer many advantages over traditional PBX systems, including reduced costs, ease of maintenance, ease of programming directly by end users, and better integration of voice and data messaging.
- Workers who travel constantly and spend many hours away from the office are the greatest beneficiaries of UC technology.
- The “one service fits all” UC model is less prevalent in today’s market. Many services are now highly customizable, and allow for detailed configuration settings to best match each business and their individual needs. Most providers also offer vertical-specific applications that can be integrated into their offerings.

- The SMB market remains the primary target for the majority of Hosted UC Providers. Hosted UC offerings are priced at a very affordable level for SMBs and the low upfront capital investment makes it easy for most SMBs to trial the technology.
- The Hosted UC market, including both Hosted UC and Telecom UC segments, will grow from \$2.3 billion in 2009, to \$4.9 billion in 2013. Figure 1 shows this growth.
 - The Hosted UC Provider segment revenue will grow from \$87 million in 2009 to over \$160 million by 2013, representing an average annual growth rate of 17%.
 - The Telecom UC Provider segment revenue is expected to more than double, going from \$2.2 billion in 2009 to over \$4.7 billion in 2013, representing an average annual growth rate of 21%.

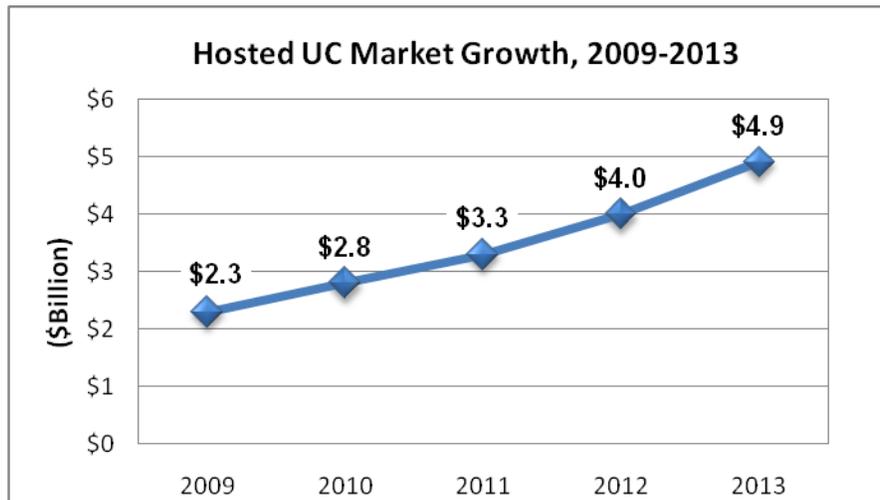


Figure 1: Hosted UC Market Growth – Worldwide Revenue, 2009 – 2013

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