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Asia/Pacific Hosted Email Market, 2009-2013

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SCOPE

This study provides an analysis of the Hosted Email market in Asia/Pacific (APAC) in 2009 and its forecasted growth through 2013. It includes current market trends, market size, installed base market share by provider, and four-year forecasts. Detailed breakouts are provided for the top five APAC countries – China, Japan, Australia & New Zealand (ANZ), Singapore, and India - as well as Rest of Asia (RoA).

The Hosted Email market is categorized by three segments: ISP/Webmail, Hosted Business Email, and Managed Email. The first two segments are discussed in detail in this report, the latter, which comprises mostly systems integration and consulting projects is not.

Microsoft is identified as a key player in the Hosted Email market. A section is dedicated to Microsoft and a four-year forecast is provided for Microsoft Hosted Exchange mailboxes.

All revenue numbers are expressed in \$USD unless stated differently.

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 hosting providers, global corporations and users 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 study provides an analysis of the Hosted Email market in Asia/Pacific. This report does not look into on-premises email solutions. Separate country breakdowns which include installed base, four-year forecasts and market share are provided for the top 5 markets: China, Japan, Australia & New Zealand, Singapore, India, and Rest of Asia (RoA).
- The report categorizes the Hosted Email market into three key segments:
 - **ISP/Webmail:** This segment focuses on advertising driven, and thus free, email solutions. These email solutions are mostly used by consumers, but also by a number of SOHO customers. The most popular email solutions in this category are *Google's Gmail, Microsoft (MSN, Windows Live, Hotmail), and Yahoo! Mail*.
 - **Hosted Business Email:** this segment offers professional email solutions to a wide range of businesses (from SOHO to Corporate). Typically this type of solution is paid for, doesn't have advertising, is linked to the company domain name and offers advanced business features such as shared calendar, contacts, and mobile 'push' email.
 - **Managed Business Email:** This segment deals with solutions hosting a dedicated mail server in a data center, meaning that the infrastructure is dedicated to a single customer. The provider typically adds management services (e.g. maintenance, security, back-up, etc.) on top of pure hosting. This segment is not analyzed in depth in this report, but is included here for the sake of completeness.
- The Asia/Pacific Hosted Email market is characterized by the following key trends:
 - Asia/Pacific has seen explosive growth in the adoption of wireless devices, therefore bundling email with SMS and IM services in a way that straddles both the PC and the wireless device has become increasingly important across all markets in Asia/Pacific.

- Social networking has also become increasingly popular across the region, especially among affluent and trend-conscious young people, therefore online communications has become increasingly multi-faceted and intertwined.
- The adoption of Hosted Business Email across Asia/Pacific has been very slow mainly due to the preference by businesses for on-premises messaging solutions as well as general use at the SMB level of free or very low-cost ISP/Webmail services. This attitude is evolving slowly, propelled in particular by the economic downturn which is leading many companies to re-assess their IT strategies.
- Microsoft has been aggressively promoting its Microsoft Hosted Exchange services throughout the region but has made fairly slow progress in signing up hosting partners due to the higher costs involved compared to the “open source” or “freeware” solutions currently popular with many Asia/Pacific hosting providers.
- Pricing for both ISP/Webmail and Hosted Business Email mailboxes remains fairly low throughout Asia/Pacific, with low-end email costing only about US \$1 per mailbox/month, and premium business email services costing around US \$10 per mailbox/month.
- ISP/Webmail growth in APAC reflects mainly the growth in Internet adoption by consumers, whereas growth in the Hosted Business Email segment is driven mainly by SMB migration from free or low cost ISP/Webmail accounts, as well as greater penetration of email into business organizations.
- The Hosted Email market, including all segments, in APAC will reach 675 M mailboxes at the end of 2009. Close to 94% of these are ISP/Webmail mailboxes. In 2013 the Hosted Email market will count an Installed Base of 998 M mailboxes, growing at an average annual growth rate of over 9% over four years. Figure 1, illustrates the total IB growth forecast for the total Hosted Email market in Asia/Pacific from 2009 to 2013.

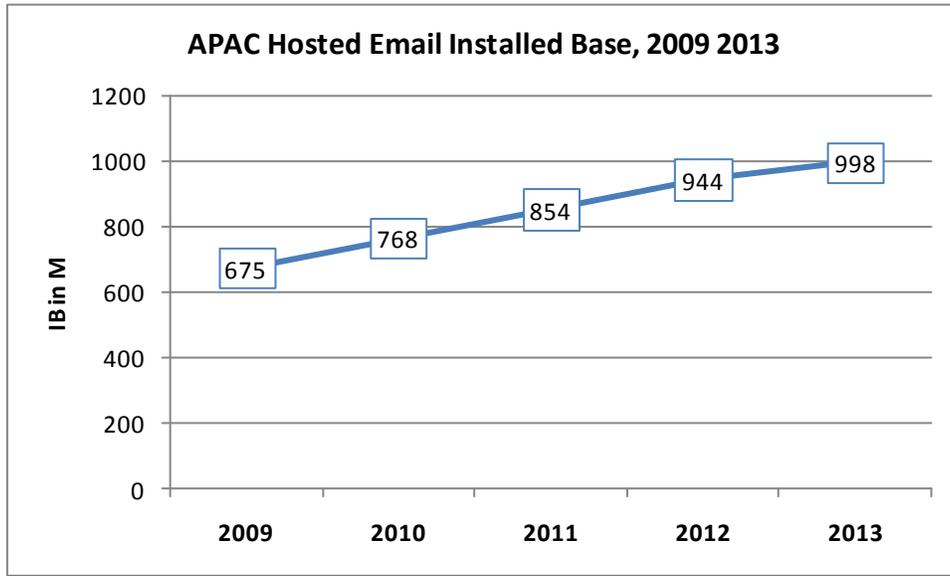


Figure 1: APAC Hosted Email Market IB Forecast, 2009 - 2013

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