Email Archiving Market, 2009-2013

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SCOPE

This study provides an analysis of the e-mail archiving market in 2009 and its potential growth over the next four years. It provides a detailed analysis of market trends, market size, market share by vendor, forecasts, regulations, as well as vendor products and strategies.

E-mail Archiving solutions offer interactive, long-term storage of e-mail in a separate file store, with easy search and retrieval capabilities. These solutions address e-mail storage, regulatory and internal policy compliance issues.

This study looks at two segments of the market:

- **E-mail Archiving Solutions** – include e-mail archiving solutions offered as on-premises products for enterprise deployment.

- **Hosted E-mail Archiving Services** – include e-mail archiving solutions delivered as 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 financial figures are expressed in $USD.

METHODOLOGY

The information and analysis in this report is based on primary research conducted by The Radicati Group, Inc. in 2009. It consists of information collected from vendors, solution providers and corporations via interviews and surveys.

The focus of the research was worldwide with a heavy emphasis on the North American and European markets where most key developments in e-mail archiving are currently occurring.
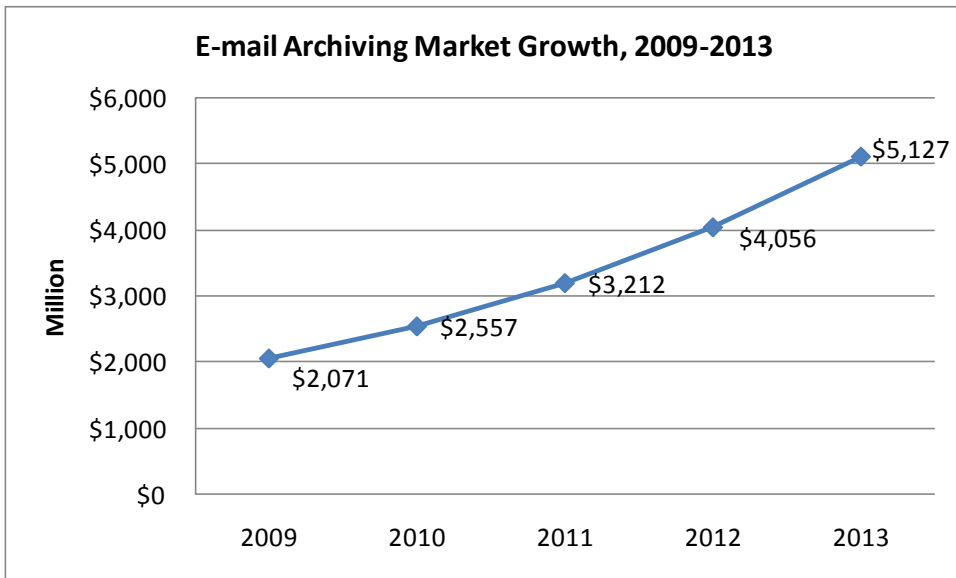
Secondary research sources have also been used, where appropriate, to cross-check the information collected. These include company annual reports and market size information from various market segments of the computer industry.

EXECUTIVE SUMMARY

- E-mail archiving solutions are becoming must-haves for all organizations to help preserve and manage the growing volume of e-mails. **E-mail archiving** solutions provide *interactive*, long-term storage of e-mail in a separate file store, with easy search and retrieval capabilities.

- In 2009, we estimate that the average corporate e-mail user sends and receives a total of 167 messages per day. This number is expected to increase to 219 messages by 2013. In storage terms, this translates into about 20 MB of data per user per day in 2009. This figure is expected to rise to about 31 MB per user, per day in 2013.

- As e-mail traffic volumes continue to grow at a rapid pace, e-mail archiving solutions solve a number of problems, including: controlling and managing the spiraling growth of e-mail messages; ensuring that all users adhere to corporate communication policies; maintaining a trail of information exchanges in the event of litigation; allowing organizations to comply with government document retention regulations; and helping guard against possible data loss.

- On-premises archiving products continue to be the most popular way to deploy an archiving solution. Today, about 75% of all archiving solutions are sold as on-premises products, compared to 25% of archiving solutions sold as hosted services. However, the deployment of hosted archiving solutions is growing at a faster rate than the deployment of on-premises products. Hosted services are much more affordable in the short run, which helps many companies to give them a try particularly in a slow economy.

- E-mail continues and will continue to be the main reason organizations deploy archiving solutions. However, many businesses are also becoming interested in expanding the type of content managed by their archives. Some of the more popular choices, today, include various file documents, PSTs, Microsoft SharePoint content, IM messages, voice and video files.

- Archiving also serves as a foundation for a number of other solutions. The most popular include eDiscovery and Data Loss Prevention (DLP).
    - *eDiscovery* solutions offer advanced electronic data search, retrieval and analysis tools to review electronic data exchange after the fact.

    - *Data Loss Prevention (DLP)* solutions are designed to stop non-compliant messages before they reach a recipient and/or get archived.

- Over the next four years we expect the archiving market to continue to grow, although, due to the worldwide economic slump, at a slower rate than before. We estimate that the market will grow at about 25% annually over the next four years. Over the next two years, the majority of this growth will come from the sale of new archiving solutions, rather than upgrades. Organizations that already have a solution in place will tend to extend the life of their current solution for as long as possible.

- There has not been any significant acquisition activity in this market over the past 12 months. The soft economy has prompted many vendors to use internal resources to work on gradually improving their solutions, rather than look for new acquisition targets.

- However, the e-mail archiving market is poised for some change, as Microsoft releases Microsoft Exchange Server 2010 (due out at year 2009) which will include a broad range of native features for archiving and compliance. While at least in its initial release Microsoft Exchange Server 2010 will mainly be suitable to meet the archival needs of small to medium size businesses, in time we expect it to be a major force in reshaping the e-mail archiving competitive landscape as many of the current e-mail archiving vendors re-position their products around Microsoft's strategy.

- The total e-mail archiving market (including both on-premises archiving solutions and hosted archiving services) is expected to be slightly over 2 billion by the end of 2009, and grow to over $5.1 billion by 2013.

E-mail Archiving Market Growth, 2009-2013

Year	Value
2009	$2,071
2010	$2,557
2011	$3,212
2012	$4,056
2013	$5,127

(Y-axis: Million, $0 – $6,000)

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