Email Platforms for Service Providers Market, 2009-2013

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SCOPE

This study provides an analysis of the Email Platforms for Service Providers market in 2009, and its potential growth over the next four years. It provides detailed market trends, market sizing and forecasts, along with an analysis of key vendors.

We provide data on worldwide mailbox installed base, market share, revenues, and forecasted market growth in terms of both installed base and revenue, from year-end 2009 to year-end 2013.

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

Throughout this report, we use the words 'email' and 'messaging' interchangeably.

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 service providers on a worldwide basis 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

- Email platform suppliers develop flexible and highly scalable messaging platforms that allow service providers to offer hosted or managed email services to their large number of subscribers. Service providers leverage these messaging platforms to provide basic email capabilities, or powerful, feature-rich messaging and collaboration services in combination with anti-virus and anti-spam protection.

- The majority of service providers still base their email offerings on freeware messaging platforms, or proprietary, in-house developed messaging platforms.

  o Freeware solutions, often built on open-source code, have the advantage of low costs, and are generally used by smaller service providers, typically Tier 2 and Tier 3 service providers. Popular freeware solutions include *Exim, qmail, Postfix,* and *Sendmail.*

  o Proprietary platforms offer service providers greater control over their mailboxes and are generally used by large content providers, such as *Google, Microsoft,* and *Yahoo!*.

- However, the market is showing growing uptake of commercial messaging platforms, as many small and mid-tier service providers, as well as regional ISPs and Telecom operators are choosing to adopt commercial messaging platforms for the first time, and large Tier 1 service providers are replacing old commercial messaging platforms that are reaching their end-of-life cycle. Commercial messaging platforms help service providers remain competitive, and also satisfy customer demand with value-added services, such as enhanced anti-virus and anti-spam protection, email archiving, groupware functionality, Instant Messaging (IM), VoIP, wireless email support, and more.

- There is a growing interest amongst service providers in offering value-added services, typically through paid mailboxes aimed at SOHOs and SMBs. These mailboxes generally include business-oriented capabilities, such as premium anti-virus and anti-spam protection, archiving and compliance, groupware functionality, Microsoft Outlook synchronization support, secure IM and presence awareness, VoIP, and over-the-air (OTA) synchronization.

- Webmail clients have long been popular with consumer-oriented service providers, however, interest in webmail clients by business users has grown in the past few years, as webmail clients give users an easy way to access their email even when they are out-of-the-office. In addition, many messaging platform suppliers have started leveraging AJAX to provide end-users with a desktop-like experience, with features such as drag-and-drop, right click content menus, and re-sizable panes.

- Wireless email support is one of the "must have" features for business-oriented service providers. Although many messaging platform suppliers offer a WAP-based interface that allows customers to access their emails from a mobile browser on most wireless devices, there is a growing demand for push email and PIM synchronization.

- Although first regarded as a niche market, commercial email platforms built on open-source have built up strong interests in the past several years. With the success of Zimbra (Yahoo!), open-source messaging platforms have a promising future and are a legitimate alternative for service providers. Commercial open-source platforms have found most of their success in EMEA, where open-source solutions tend to be more widely accepted.

- Rather than of deploying an email platform on-premises, service providers can also opt for white-label hosted email services, which offer reduced operating expenses. This emerging segment is currently dominated by large content providers, such as Google and Yahoo!, who sell their hosted email services to Tier 2 and Tier 3 service providers, which then bundle the solution or resell it under their own brand. To date, uptake has been fairly limited, but we expect more service providers to take this route in the future due to the benefits it provides in terms of attractive price points and low entry costs.

- Table 1, shows the forecasted installed base growth in hosted email mailboxes (i.e. number of *active** accounts) including both consumer and business service provider mailboxes, from 2009 to 2013.

Worldwide Hosted Email Installed Base (M), 2009 - 2013					
	2009	**2010**	**2011**	**2012**	**2013**
Worldwide Installed Base (M)	**1,766**	**1,935**	**2,100**	**2,271**	**2,430**
% Change		*10%*	*9%*	*8%*	*7%*

Table 1: Worldwide Hosted Mailboxes – IB, 2009-2013

(*) Note: We define active accounts, as accounts which have been accessed at least once in the last three months.

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