



THE RADICATI GROUP, INC.

A TECHNOLOGY MARKET RESEARCH FIRM

1900 EMBARCADERO ROAD, SUITE 206. • PALO ALTO, CA 94303

TEL. 650 322-8059 • FAX 650 322-8061

Europe Cloud Email Market, 2013-2017

Analyst: Sara Radicati, PhD

SCOPE

This study provides an analysis of the Cloud Business and Consumer Email market in Europe in 2013, and its potential growth over the next four years. It provides market trends, market share, market size, and four year forecasts for the top 5 European countries: United Kingdom, Germany, France, Italy and Spain. In addition, it provides an overview of key European Cloud Business and Consumer Email providers.

This study segments the market as follows:

- **Cloud Business Email** are cloud-based email services targeted at business organizations of all sizes and can be deployed in a multi-tenant or dedicated environment.
- **Consumer Email** are cloud-based email services targeted at consumers.

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.

Note: The terms “installed base,” “accounts,” “seats,” and “mailboxes” are used interchangeably in this report.

EUROPE: 29E FITZJOHNS AVE • LONDON NW3 5JY • TEL. +44 (0)20 7794 4298 • FAX. +44 (0)20 7431 9375

e-mail: sara@radicati.com

<http://www.radicati.com>

METHODOLOGY

The information and analysis in this report are 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 cross-check 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 worldwide Cloud Email market, including both Business and Consumer email, is expected to increase from a worldwide installed base of over 3.2 billion accounts at year-end 2013, to over 4.2 billion by the end of 2017. Europe represents 20% of this market in 2013, and is expected to remain at 20% through 2017.
- This report looks at the Cloud Email market as comprising the following segments:
 - **Cloud Business Email Providers** which offer feature-rich, enterprise-grade email and collaboration services to business organizations of all sizes. This includes Google Apps, Microsoft Office 365, many Hosted Microsoft Exchange providers, as well as many basic POP service providers. Cloud Business Email services may be offered as multi-tenant or dedicated cloud services.

- **Consumer Email Providers** includes all varieties of ISP/Webmail providers and Telcos that offer email services aimed at consumers. This includes the main “big three” consumer email providers: Google Gmail, Microsoft Outlook.com, Yahoo! Mail, as well as a multitude of Telcos and regional ISP/Webmail providers that target consumers.
- The demographics of business organizations migrating to Cloud Business Email services has shifted considerably over the past 2 years, while previously, SOHOs and SMBs were the main customers for these solutions, now mid-market and larger organizations are increasingly migrating to cloud-based email solutions.
 - As the gap in functionality between on-premises email and cloud-based email services has nearly disappeared, more customers are motivated to adopt a cloud-based model in order to cut deployment and maintenance costs.
- Google and Microsoft are continuing to drive business adoption of cloud-based email services with strong offerings that extend the user experience well beyond email. Ongoing competition between Google and Microsoft, is expected to continue to drive down prices of Cloud Business Email services over the next four years.
 - Google and Microsoft have both placed greater emphasis on integrating cloud storage services to create a more cohesive and collaborative environment for users. This integration combines cloud storage with productivity tools, allowing users to easily upload, access, edit, and collaborate on files, from the cloud.
 - Google and Microsoft also include sophisticated office productivity suites with their business cloud email offerings which provide full document editing and collaboration.
- In the Consumer Email market, growth in Europe is driven by an increasing number of users coming online for the first time, particularly in Eastern Europe, as well as an expansion of penetration in saturated markets to a wider population demographic.
 - While Social networks are increasingly popular throughout Europe, the number of Consumer Email accounts also continues to grow, as email accounts are an essential part

of the online experience, and are required to sign up for social networking sites, such as Facebook and Twitter, instant messaging services, online shopping, and more.

- Table 1, shows the total adoption of Cloud Email accounts (i.e. Mailboxes) in Europe, including both Business and Consumer segments, from 2013-2017.

	2013	2014	2015	2016	2017
Europe Cloud Email Accounts (M)	641	699	729	778	829
Europe Cloud Business Email Accounts (M)	58	67	77	85	96
Europe Consumer Email Accounts (M)	583	632	652	693	733

Table 1: Europe Cloud Email Installed Base Forecast (M), 2013-2017

***To view the complete Table of Contents for this report,
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