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Instant Messaging Market, 2013-2017

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SCOPE

This study examines the market for Instant Messaging (IM) solutions from 2013 to 2017. It provides extensive data regarding current installed base as well as four year forecasts, broken out by region, business size, and other variables. This report also examines IM solution features, business strategies, plus product strengths and weaknesses.

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

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.

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- 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

- This study looks at the Instant Messaging market as comprising four different segments:
 - **Public IM Networks** – provide IM services primarily for the consumer market, but are also often used by business users. Key Public IM vendors include: *Facebook, Google, Microsoft/Skype, Tencent, Yahoo!*, and others.
 - **Enterprise IM Platforms** – which are deployed by organizations of all sizes, include improved security and privacy features that cannot typically be attained through Public IM networks. Key Enterprise IM vendors include: *Bloomberg, Cisco, Good Technology, IBM, Microsoft, Novell, and Thomson Reuters*, and others.
 - **IM Management and Security Vendors** – offer solutions that provide end-to-end security for all IM activity, integrate with Public IM services and Enterprise IM platforms, and provide granular controls for IT professionals to effectively monitor and manage users within the IM network. Key IM Management and Security vendors include: *Actiance, Symantec*, and others.

- **Mobile IM** – refers to IM services that are developed specifically for use on mobile devices, and typically serve as alternatives to SMS messaging. The Mobile IM segment includes: *Apple iMessage, BlackBerry Messenger, WhatsApp Messenger*, and others.
- Though Instant Messaging competes with social media and SMS as a means of communication, all four IM segments have shown solid growth in 2013, particularly the Mobile IM market. IM remains a popular form of communication with consumers and business users, despite popular alternatives like Facebook or SMS/ text messaging. While this competition has in some ways limited growth, it is also somewhat revealing about the blurred boundaries between these technologies. IM is becoming far more than text-only communication and is more properly understood as a multimedia messaging and sharing platform with a robust feature set.
- The boundaries of the Public IM market are becoming blurred with the growth of social networking services and mobile-only IM providers. Major social networks like Facebook and Google+ offer IM services that are heavily integrated with the network's interface; at the same time, the increase in mobile-only IM providers signals the importance of providing anywhere access to Public IM networks. As a result, the Public IM market is beginning to exist equally across desktops clients, web portals, and mobile devices, while simultaneously becoming more integrated with social networks.
- Enterprise IM networks are expected to show steady growth over the next four years, as more organizations opt for enterprise-grade functionality and security that cannot be attained with Public IM solutions. The increased usage of mobile devices in the workplace has spurred Enterprise IM vendors into developing greater anywhere access functionality. Employees often work from multiple locations across multiple devices, requiring enterprise-grade features across all platforms (i.e. desktop clients, web-based access points, and mobile devices). Many of these services now have native applications for mobile operating systems, such as Apple iOS and Google Android.
- IM Management and Security vendors are also extending their solutions to mobile devices, as more users are accessing their organization's IM service while on the go. These vendors are also meeting demands for easier deployment options by turning to cloud-based services.

- Mobile IM services are showing strong growth with features that allow mobile-centric users to experience IM functionality that was once only attainable on a desktop client. Users are becoming more dependent on mobile devices for communication, and vendors are developing features to make these devices deliver the same functionality as fully-featured desktop IM clients.
- Worldwide IM accounts are expected to grow from over 3.4 billion in 2013 to over 4.4 billion by year-end 2017, representing an average growth rate of about 7%. Figure 1, shows the total growth of IM accounts worldwide comprising all segments: Public IM, Enterprise IM, and Mobile IM accounts from 2013 to 2017.

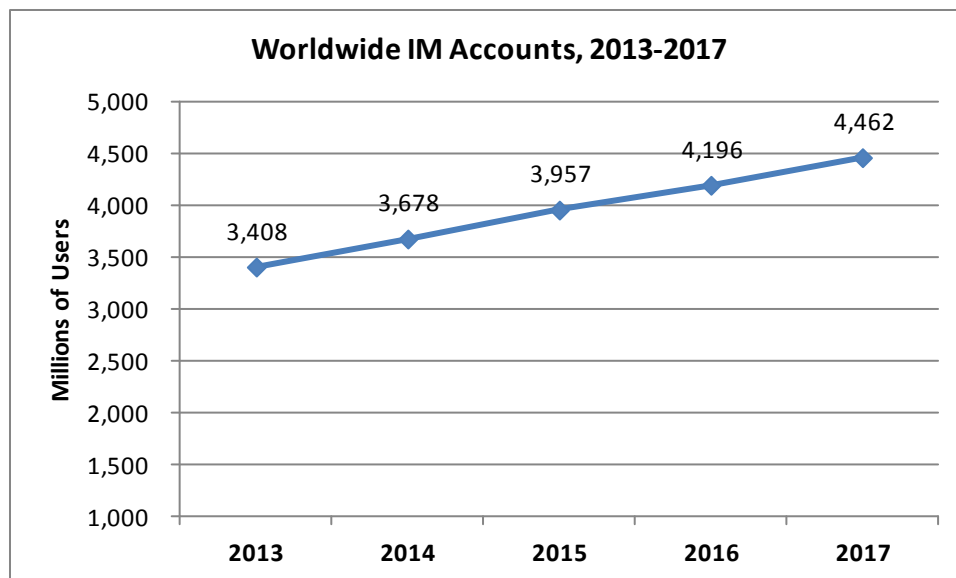


Figure 1: Worldwide IM Accounts, 2013-2017

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