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Email Market, 2013-2017

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SCOPE

This study provides an analysis of the Email market in 2013, and its potential growth over the next four years. It provides detailed market trends, market share, market size, forecasts, and an analysis of key email vendors and cloud email providers.

This study segments the Email market as follows:

- **Enterprise Business Email** - on-premises email and collaboration platforms that cater to the needs organizations of all sizes.
- **Cloud Business Email** - cloud-based email services targeted at business organizations of all sizes for use in a multi-tenant or dedicated environment.
- **Consumer Email** - cloud-based email solutions targeted at consumers.
- **Messaging Platforms for Service Providers** - messaging platforms deployed by business-oriented and consumer-oriented service providers to provide email services to their subscribers.

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- **Email Clients** – desktop or web-based interfaces for accessing and working with email.

Revenues, pricing, and all currency figures in this study are expressed in \$USD. All market numbers represent worldwide figures, unless otherwise indicated.

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.

Throughout this report the terms email and messaging are used interchangeably.

This study does not include data on the number of mobile email users.

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 Email Market continues to show strong growth in terms of both users and revenues. In 2013, we estimate that there are over 2.4 billion email users worldwide, including both business and consumer users.
- Worldwide email users are expected to grow over the next four years to over 2.7 billion users. Total worldwide revenues for the Email Market will reach nearly \$10 billion by year-end 2013, growing to over \$20 billion by year-end 2017, representing an average annual growth rate of 20%. Table 1 shows this growth forecast from 2013 to 2017.

Worldwide Email Market Forecast	2013	2014	2015	2016	2017
Worldwide Email Users (M)	2,424	2,504	2,586	2,672	2,760
% change		3%	3%	3%	3%
Worldwide Email Market Revenues (\$M)	\$9,897	\$11,956	\$14,584	\$17,525	\$20,460
% change		21%	22%	20%	17%

Table 1: Worldwide Email Market Forecast, 2013-2017

- This report looks at the Email Market as comprising five segments:
 - **Enterprise Business Email** – on-premises email and collaboration platforms that cater to the needs of organizations of all sizes. Leading Enterprise Business Email providers include: *IBM, Microsoft, Novell*, and many others.
 - **Cloud Business Email** – multi-tenant and dedicated email and collaboration services that provide feature-rich, enterprise-grade functionality to organizations of all sizes. Leading Cloud Business Email providers include: *Apptix, AppRiver, Ceryx, Google, IBM, Intermedia, Microsoft, NaviSite, Rackspace, SilverSky*, and many others.
 - **Consumer Email** - email services geared towards consumers. Leading consumer email services include: *Google (Gmail), Microsoft (Outlook.com), Yahoo! (Mail)*, and many others.

- **Messaging Platforms for Service Providers** – highly scalable and reliable messaging platforms designed to allow service providers to offer email services to an increasing number of users. Leading platforms include: *Critical Path (CP)*, *Openwave Messaging*, *Oracle*, and many others.
- **Email Clients** – desktop or web-based interfaces for accessing and working with email. Leading clients include: *IBM Notes*, *Microsoft Outlook*, and many others.
- Some of the key trends in the Email market today, across all segments include:
 - *Anywhere Access* – Business and consumer users expect to be able to access an optimized messaging interface from the latest smartphone and tablet devices, at any time, and from any location.
 - *Centralized Hubs* – email interfaces have transformed into central communications and collaboration hubs, where users can access a growing range of advanced features, including instant messaging (IM), voice and video functionality, file storage, productivity tools, and much more.
 - *Social Networking Integration* – social networking has shown rapid growth as an alternative form of communication to email, and users’ contact lists now go beyond the address book and into multiple social networks. As a result, all email solutions and services include some level of integration with popular social networks, such as Facebook, Twitter, and LinkedIn.
- Growth in the Enterprise Messaging Platforms market has slowed, as an increasing number of organizations of all sizes are moving to cloud-based business messaging solutions.
- The demographics of organizations migrating to cloud email services has shifted from SOHOs and SMBs to mid-market and larger organizations, which are also beginning to embrace the cloud. Besides cost and ease of use, Cloud Business Email services allow larger businesses to connect geographically dispersed work teams, unify a mix of various email systems obtained via acquisitions and mergers, and extend email and related services to non-office workers that have not had email access in the past.

- Google and Microsoft have 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 upload, access, edit, and collaborate on files from the cloud.
- Messaging Platforms for Service Providers have evolved from offering basic email to fully-featured unified communications and social platforms. These platforms must continually meet the ever-growing demand for more advanced capabilities, and as a result, have become a centralized hub for users, allowing them to access a wide range of other networks and features, in addition to email, such as mobile device access points, fully-featured web-based clients, social networking integration, and much more.
- The Consumer Email market continues to be dominated by Google, Microsoft, and Yahoo!. These providers offer a feature-rich service that goes beyond basic email, including instant messaging (IM), contacts and calendaring, social networking integration, and more.
- The total number of worldwide email accounts is expected to increase from nearly 3.9 billion accounts in 2013 to over 4.9 billion accounts by the end of 2017. This represents an average annual growth rate of 6% over the next four years.
- The number of worldwide email accounts is expected to continue to grow at a slightly faster pace than the number of worldwide email users, particularly Consumer email accounts. This is due to the fact that many consumers utilize more than one email account.
- Table 2 shows the number of email users and active email accounts worldwide, from 2013 to 2017, as well as the ratio of email users to active accounts. Over the next four years, the average number of email accounts per user ratio is expected to be about 1.7 accounts per user. While there has been increased usage of IM and social networking over the past few years, email continues to show steady growth, as most IM and social networks require users to have an email address to access their services.

	2013	2014	2015	2016	2017
Worldwide Email Users (M)	2,424	2,504	2,586	2,672	2,760
Worldwide Active* Email Accounts (M)	3,899	4,116	4,353	4,626	4,920
Average Mailboxes/Users	1.6	1.6	1.7	1.7	1.8

Table 2: Worldwide Active Email Accounts Forecast (M), 2013-2017

(*) *Note: 'Active' email accounts are accounts that have been accessed at least once within the last three months.*

- The total worldwide email traffic, including both Business and Consumer emails, is estimated to be over 182 billion emails/day by year-end 2013, growing to nearly 207 billion emails/day by the end of 2017.
- Most of the world's email traffic comes from the Business world. In 2013, the number of Business emails sent and received per day total over 100 billion. This figure is expected to grow at an average annual rate of 7% over the next four years, reaching over 132 billion by the end of 2017.

Daily Email Traffic	2013	2014	2015	2016	2017
Total Worldwide Emails Per Day (B)	182.9	191.4	196.4	201.4	206.6
<i>% Change</i>		5%	3%	3%	3%
Business Emails Per Day (B)	100.5	108.8	116.2	123.9	132.1
<i>% Change</i>		8%	7%	7%	7%
Consumer Emails Per Day (B)	82.4	82.6	80.2	77.5	74.5
<i>% Change</i>		0%	-3%	-3%	-4%

Table 3: Worldwide Daily Email Traffic, 2013-2017

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