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## ***Cloud Business Email Market, 2014-2018***

### **SCOPE**

This study provides an analysis of the Cloud Business Email market in 2014, and its potential growth over the next four years. It provides detailed market trends, market share, market size, forecasts, and an analysis of key Cloud Business Email providers.

This study segments the market as follows:

- **Cloud Business Email** are cloud-based email services targeted at business organizations of all sizes, for use in a multi-tenant or dedicated environment.
- **Hosted Microsoft Exchange Partners** is a sub-segment of Cloud Business Email providers that offer Hosted Microsoft Exchange services to their subscribers.

The report also includes forecasts and detailed breakouts for **Google Apps for Work**.

Revenues, pricing, and all currency figures presented in this study are expressed in \$USD, unless otherwise indicated.

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.

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

## **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.

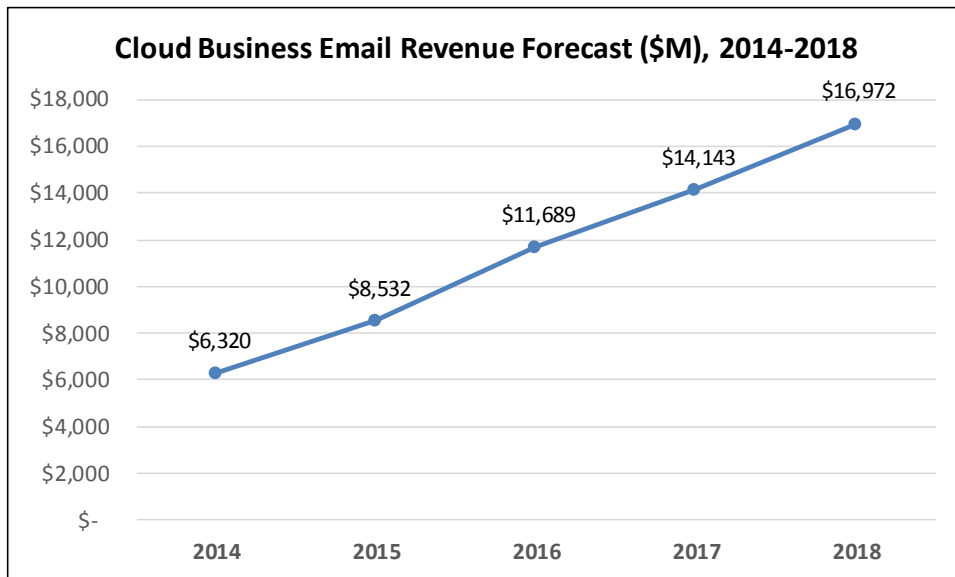
Our research processes and methodologies are proprietary and confidential.

## **EXECUTIVE SUMMARY**

- The Cloud Business Email market is heating up and is expected to grow at a fast pace over the next four years. The adoption of cloud services among organizations of all sizes is gaining momentum and legitimizing the adoption of Cloud Business Email.

- While social networks, Instant Messaging, chat, web conferencing and other methods of communication are increasingly being used by businesses, email remains the most prevalent form of business communication for organizations of all sizes.
- This report looks at the Cloud Business Email market as comprising the following segments:
  - **Cloud Business Email Providers** offer feature-rich, enterprise-grade email and collaboration services to business organizations of all sizes. This segment includes Google Apps, Microsoft Office 365, many Hosted Microsoft Exchange providers, as well as many basic POP service providers. These services may be offered as multi-tenant or dedicated cloud services.
  - **Hosted Microsoft Exchange Partners** is a sub-segment of Cloud Business Email providers, which offer Hosted Microsoft Exchange services to their subscribers. Hosting Partners manage Hosted Microsoft Exchange in their own data centers.
- The demographics of organizations migrating to Cloud Business Email has shifted considerably, whereas previously SOHOs and SMBs were the main customers of Cloud Business Email solutions, increasingly mid-market and larger organizations are also actively migrating to cloud email and collaboration services.
- There is strong increase in the adoption of full featured cloud business suites which include a wide range of business collaboration services beyond email. Google with its Google Apps for Work, Microsoft Office 365, and Hosted Microsoft Exchange are all seeing strong traction.
- All Cloud Business Email providers have placed greater emphasis on integrating cloud storage with their services to create a more cohesive and collaborative environment for users. This integration typically combines storage with productivity tools, allowing users to upload, access, edit, and collaborate on files, from the cloud.
- All Cloud Business Email providers have also invested heavily in the past year to optimize access to their services for mobile device access and offer a seamless experience across both desktop and mobile devices.

- Multi-tenancy is currently the most common form of Cloud Business Email deployment. However, Dedicated (i.e. private cloud) deployments are expected to grow at a fast pace over the next four years as more mid-market and large enterprise organizations migrate to the cloud and opt for dedicated deployments.
- Figure 1, shows the worldwide revenue forecast for Cloud Business mailboxes, from 2014 to 2018. The Cloud Business Email market is expected to generate over \$6.3 billion in revenues in 2014 and nearly \$17 billion by 2018.



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