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Cloud Business Email Market, 2015-2019

SCOPE

This study provides an analysis of the Cloud Business Email market in 2015, 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 (i.e. private cloud) 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.

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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.

METHODOLOGY

The information and analysis in this report is 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

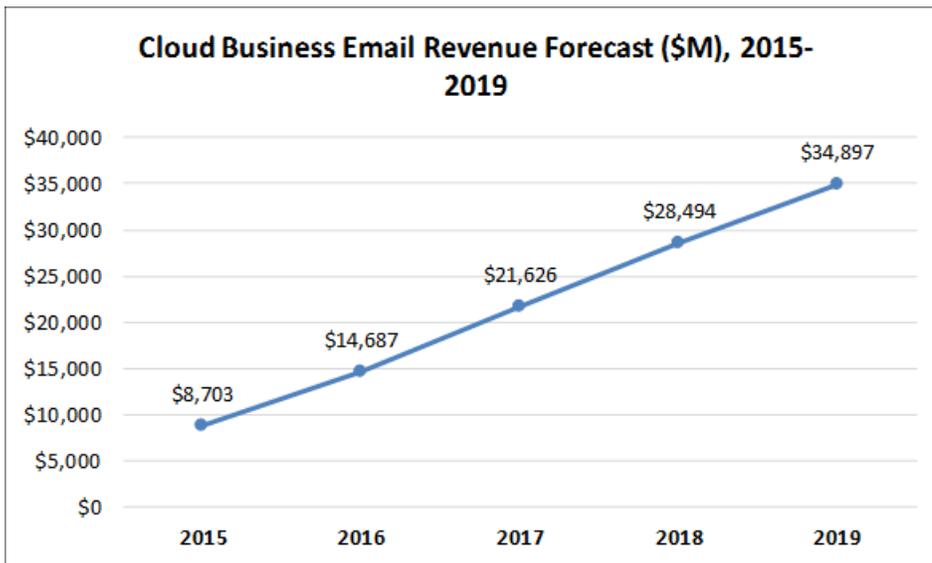
- The Cloud Business Email market is growing at a rapid pace as organizations of all sizes, across all verticals are ramping up migration from on-premises to cloud-

based email and collaboration solutions. Key drivers for this strong adoption include:

- The gap in functionality between on-premises and cloud email solutions has disappeared, and this is prompting many customers to cut deployment costs by migrating to cloud solutions.
 - Many larger organizations that are often geographically dispersed find that cloud email services allow them to more easily unify users under one infrastructure, while easing, or totally avoiding, the costs associated with staffing an IT department at each of their organization's locations.
 - Cloud Business Email providers are offering much more advanced security features, such as email encryption, archiving, DLP, and many other services, which is helping ease concerns about privacy and security in the cloud.
- This report looks at the Cloud Business Email market as follows:
 - **Cloud Business Email Providers** offer feature-rich email and collaboration services aimed at the needs of business organizations of all sizes. This segment includes Google Apps for Work, Microsoft Office 365, Hosted Exchange providers, as well as many basic POP service providers. These services may be offered as multi-tenant or dedicated (i.e. private cloud) services.
 - **Hosted Exchange** is a sub-segment of Cloud Business Email providers, which offer Hosted Exchange services to their subscribers. Hosting Partners manage Hosted Exchange Server in their own data centers, and typically include a broad range of extra cloud services with their offerings.
 - **Google Apps for Work** is a sub-segment of the Cloud Business Email market that continues to experience strong growth. Google Apps for Work is Google's cloud-based email and collaboration suite, which includes Gmail for email, Google Calendar for

scheduling, Google Docs for productivity, Google Drive for cloud storage and synchronization, and much more.

- Multi-tenancy is currently the most common form of Cloud Business Email deployment, however, Dedicated (i.e. private cloud) deployments are also showing strong adoption as more mid-size and large enterprise organizations migrate to the cloud and prefer a dedicated deployment.
- Figure 1, shows the worldwide revenue forecast for Cloud Business mailboxes, from 2015 to 2019. The Cloud Business Email market is expected to generate over \$8.7 billion in revenues in 2015 and grow to over \$34.8 billion by 2019.



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