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Microsoft Office 365, Exchange Server and Outlook Market Analysis, 2019 - 2023

SCOPE

This study examines the markets for Microsoft Office 365, Exchange Server, Outlook, and Outlook on the web. For all products, this study provides extensive 2019 data regarding installed base, broken out by industry, business size, region, version, and other variables, along with four year forecasts. In addition, an overview of key features, direction, and our analysis of each product are included.

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

Regional breakouts are provided for: North America, Europe, Asia Pacific, and Rest of World. This report does not contain country breakouts but these may be obtained from The Radicati Group at an extra charge.

The revenue projections and market share figures in the following sections do not include revenues from systems integration or professional services.

This report uses the terms “mailboxes” and “accounts” interchangeably.

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

- Microsoft continues to be highly successful in the Email and Collaboration market.
 - In the Cloud Business Email market, deployment of Office 365, as well as Hosted Exchange offered through hosting partners is growing rapidly as more organizations gain confidence with the security and privacy of cloud services. Office 365 includes Office, Exchange, SharePoint, Teams (formerly Skype for Business Online), Advanced Threat Protection (ATP), Exchange Online Archiving, OneDrive for Business, Power BI, Yammer, Delve and more. Adoption was initially driven by the

SMB sector, but is now seeing strong growth across all business sizes and verticals. Microsoft has also had early success in the Education Sector with the Office 365 Education version, aimed at students, faculty, and staff.

- Microsoft Exchange Server is currently the leading platform in the On-Premises Email and Collaboration space. Microsoft Exchange Server offers a wealth of messaging and collaboration features, including email, instant messaging and presence, voicemail, security, and more. It includes the Microsoft Outlook desktop client, as well as the Outlook on the web (formerly Outlook Web App or OWA) webmail client. Exchange Server 2019 is the current version of Exchange Server. Consistent with Microsoft’s new focus on Office 365, Microsoft Exchange Server 2016 and 2019 are on-premises versions of functionality already available in Office 365.
- On-Premises Microsoft Exchange Server deployments still account for the majority of worldwide Exchange mailboxes, however that is changing fast in favor of cloud-based mailboxes. In 2019, On-Premises Microsoft Exchange Server deployments still represent 52% of all worldwide Exchange mailboxes, while Cloud Exchange mailboxes* represent 48% of all Exchange mailboxes. (*Note: refers to Office 365, and Hosted Exchange mailboxes combined).

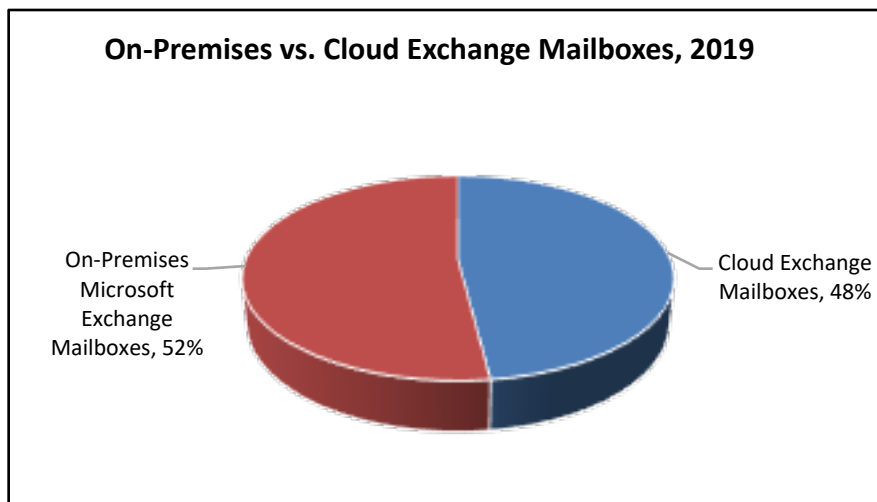


Figure 1: On-Premises Exchange vs. Cloud-based Exchange Deployment, 2019

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