Hosted Messaging Market Trends, 2006-2009

Report Focus

This report presents the results of a detailed research program into preferences and plans for hosted messaging capabilities over the next several years among North American organizations. It focuses on various types of hosted messaging capabilities, including complete messaging services, messaging security services and archiving services, among others. The goal of this research was to provide vendors, investors and others interested in the hosted messaging market with actionable information that they can use to develop marketing plans and to more accurately focus their efforts on understanding and penetrating the market for hosted services.

Highlights of Key Findings and Trends Discussed in this Report

- Most organizations plan to keep backend email services in-house through 2008, with larger organizations retaining services in-house to a greater extent than smaller organizations. However, other capabilities, such as email security and IM security, will be much more likely candidates for transfer to managed service providers.

- Nearly two-thirds of organizations believe that they face a need or significant need for improvements in their email disaster recovery and business continuity capabilities.

- Only 17% of organizations believe that spam will be less of a problem in the future than it is now. Slightly more than one-half of organizations do not think there will be much change in the situation in the coming years, although a significant minority believes that spam will become a worse problem.

- While a large number of organizations do not expect to see much change with regard to malware in the future, two out of five organizations believe that viruses and malware will become even worse problems than they are now. Only 15% of respondents think that malware will diminish in the coming years.

- A primary reason behind organizations' reluctance to embrace managed services is a lack of confidence in the providers' ability to manage non-authorized users from obtaining access to customers' data.

- Almost all organizations believe that system reliability is the most important attribute for hosted messaging providers to offer, but more than 90% of organizations think the ongoing cost of a hosted messaging service is the most important characteristic of a solution that they might consider.

- A majority of organizations indicate that maintaining control of their email environment is the primary reason they do not use a managed messaging service. Roughly one-third of organizations indicate they do not perceive any advantage to outsourcing while a significant number of larger organizations are concerned with the financial viability of the provider.

- Assuming that all of their concerns and objections could be satisfied by managed service providers, about one-half of smaller organizations indicate that they would likely or definitely use managed messaging security services, while only 36% of larger organizations indicated the would be likely to do so.

- Most messaging decision-makers do not have an accurate picture of how much it costs their organization to provide messaging capabilities.

- Two out five organizations believes that in order for managed services to be considered, they must be at least somewhat less expensive than internally-provided services, while about the same number of organizations believes that they must be dramatically less expensive.

Table of Contents

List of Figures

List of Figures (cont'd.)

List of Figures (concluded)

List of Tables

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Part of what makes us unique is our market research panel: a large and growing group of IT professionals and end-users around the world with whom we conduct our research surveys. This allows us to conduct surveys quickly and accurately.

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