



Messaging in the SMB Market, 2007-2010

Report Focus

This report presents the results of a detailed research program into preferences and plans for messaging capabilities in the North American SMB space over the next several years. It focuses on various types of messaging capabilities, including messaging systems, messaging security, instant messaging, encryption 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 SMB messaging market.

Key Findings and Trends Discussed in this Report

- **Smaller SMBs Tend to Use More Consumer Email and Hosted Email**
Smaller SMBs are much more likely to use consumer-oriented email accounts for business applications than are larger SMBs, while larger SMBs are much more likely to use on-premise messaging systems. Smaller SMBs are also much more likely to use a hosted or managed provider of email than are their larger counterparts
- **Larger SMBs Are More Likely to Use True Business-Grade Email Systems**
Larger SMBs, on the other hand, are much more likely to use business-grade email systems like Microsoft Exchange or Lotus Notes/Domino.
- **Mailbox Quotas are Used Commonly**
About one-half of SMBs impose mailbox size quotas on their users. Enterprises, however, are much more likely to impose these quotas.
- **SMBs' Messaging Problems are Difficult, But Not as Bad as for Enterprises**
Overall, the variety of messaging problems that we asked SMB respondents to rate are not as severe as the problems experienced by enterprises. Further, the problems experienced by SMBs are somewhat different than those experienced by enterprises.
- **Significant Concern About Data Leakage**
A significant proportion of SMBs are concerned or extremely concerned about the leakage of sensitive information through approved, supported communications channels and applications.
- **Smaller SMBs are Impacted More by IM Threats**
Our research showed that smaller SMBs have been impacted to a greater degree by a worm or virus introduced through the use of public instant messaging than is the case with larger SMBs.



- **Smaller SMBs are Much Less Concerned About Spyware**
One in eight smaller SMBs believes that spyware does not pose a threat to their organization, while only one in 50 larger SMBs express this lack of concern.
- **No Consensus on Data Retention Practices**
There is no consensus on the risk associated with preserving email and instant messaging content among SMBs. One in seven organizations believes that deleting all email and instant messaging content on a regular basis is the least risky option, while about one in five organizations believes that preserving this content best minimizes risk.
- **VoIP Integration is Not Yet a High Priority**
Only one in five SMBs' messaging systems is today integrated into a VoIP solution and two out of five organizations have no plans to integrate messaging and VoIP at some point in the future.
- **There is Strong Price Sensitivity to Hosted Email**
Not at all surprisingly, our research showed that more organizations are likely to outsource their email capabilities at lower price points. Smaller SMBs are more likely to be open to the notion of outsourcing their email, although the differences between smaller and larger SMBs are not significant.
- **Smaller SMBs are Very Open to the Notion of Hosted Email**
Smaller SMBs are much more likely to be open to the notion of hosting their email capabilities, while larger organizations consider on-premise capabilities using in-house servers or appliances to be much more desirable.
- **SMBs Want to Migrate to an Integrated Messaging Management Model**
Nearly two-thirds of organizations currently uses point, best-of-breed solutions for managing email security. However, far fewer organizations actually prefer this model for managing their security capabilities.
- **Most SMBs Will Not Migrate to New Messaging Systems in the Near Term**
The vast majority of organizations have no plans to migrate to a new email or instant messaging system. Over time, however, the likelihood of migrating to a new system increases, albeit only modestly.
- **Messaging Budgets are Increasing**
While median per user budgets for larger SMBs will increase modestly between 2007 and 2008, email budgets for smaller SMBs will increase significantly more. Instant messaging budgets for larger SMBs will also increase significantly between 2007 and 2008.



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For more information on Osterman Research,
or if you have any questions about this
report, please contact us at:

Osterman Research, Inc.

P.O. Box 1058

Black Diamond, WA 98010-1058

Tel: +1 253 630 5839

Fax: +1 866 842 3274

Email: info@ostermanresearch.com

<http://www.ostermanresearch.com>



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