



Messaging in the SMB Market, 2008-2011

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 is to provide vendors, investors and others interested in the SMB-focused 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

- **Nearly one-half of SMBs will reduce their IT budget in 2009**
Forty-five percent of SMBs are planning to reduce their IT budget during 2009 compared to 2008 levels, while only 19% are planning to increase their budget. The proportion of SMBs that are planning to reduce their IT budget in 2009 is 2.5 times higher compared to plans for their 2008 budget that organizations would have made in June 2008.
- **SMBs plan to reduce non-labor spending during 2009**
SMBs' non-labor expenditures on email and instant messaging will be lower overall in 2009 compared to 2008. However, mean spending per user will actually increase slightly for instant messaging-related expenditures, but will be more than offset by lower spending on email-related technologies.
- **Archiving, DLP will lead investment for SMBs during 2009**
However, a fairly significant proportion of SMBs plan to deploy archiving technologies during 2009, whether for purposes of legal discovery, compliance or mail server management. Other key areas for investment among SMBs during 2009 will include data loss prevention systems, unified messaging systems, email encryption, systems to block instant messaging threats and business continuity capabilities.
- **Web conferencing is getting much more interest among SMBs**
Web conferencing is substantially more important in this year's survey compared to last year's: as shown above, 51% of decision makers consider Web conferencing to be important or extremely important compared to just 35% in our previous survey of SMBs conducted during 2007.
- **BlackBerry, iPhone penetration will grow in 2009**
The BlackBerry is the dominant mobile platform in use among SMBs and the penetration of the BlackBerry is expected to increase during 2009. Windows Mobile devices are expected to decrease their penetration slightly, although the Apple iPhone



is expected to increase in penetration significantly over the next year, albeit from a small base of users in 2008.

- **Many SMBs want to manage security using a single, integrated offering**
Today, 48% of SMBs managing their email security using a single product that provides a single administrative interface, such as an appliance-based solution that manages anti-virus, anti-spam, anti-spyware and other capabilities. Another 52% of organizations employ best-of-breed security solutions. However, while slightly more than one-half of SMBs currently uses a variety of point solutions for managing their email security, only 30% would actually prefer to do so. Instead, a larger proportion of SMBs would prefer a single, integrated offering than currently does so.

- **Most SMBs prefer on-premise deployment, but are open to other options**
Most decision makers in SMBs would prefer to deploy their own servers and software even if they could deploy a completely new email system from scratch. That said, alternatives to conventional servers and software would also have substantial appeal with even the least popular option – use of on-premise infrastructure that is remotely managed by a third-party – still very likely to be deployed by one in six SMBs.

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About Osterman Research, Inc.

Osterman Research, Inc. provides market research, cost modeling, benchmarking and related services to vendors of messaging and collaboration products and services.

We help vendors, IT departments and other organizations make better decisions through the acquisition and application of relevant, accurate and timely data on markets, market trends, products and technologies. We also help vendors of technology-oriented products and services to understand the needs of their current and prospective customers.

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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