



The UK Messaging Market, 2008-2011

Report Focus

This report is focused on the market for messaging systems and capabilities in the United Kingdom. Osterman Research conducted a survey specifically for this report in order to understand current market dynamics in the UK and also to provide a point of comparison with the North American market for messaging. Early subscribers to this study were provided the opportunity to submit questions that were fielded in the surveys conducted for this report. As a result, the research focus of this report was shaped to some extent by these organizations that represent a wide range of vendors in the messaging market.

Key Findings and Trends Discussed in this Report

- **Messaging storage growth is a growing problem**

Messaging storage problems are considered to be the most serious among the variety of problems that plague messaging management – storage-related problems comprise eight of the top 10 concerns. Messaging decision makers report that total messaging storage has increased by a mean of 51% during the past 12 months, while the median growth in message storage growth is 28%.
- **Many organizations are not prepared for compliance**

An overwhelming majority of organizations feel they are only moderately equipped to address regulatory, HR, and legal issues surrounding email. Interestingly, while a late 2006 survey of UK-based organizations found that only 22% of organizations considered themselves to be well equipped or very well equipped, 32% believe they are this well equipped today.
- **Messaging is expensive**

The median cost per seat for providing messaging services is £15 per seat per month. Per seat messaging costs vary widely with about one quarter of organizations estimating that they spend less than £5 per seat per month, while just over 30% calculate that they spend between £5 and £20 per seat per month. However, just over 40% estimate the cost at more than £20 per seat per month.
- **Most decision makers cannot accurately assess messaging costs**

Most organizations are not highly confident in their ability to calculate the cost per seat per month of the overall messaging service. Only one in 11 decision makers demonstrates significant confidence in their estimates of the total cost of providing messaging services in their organizations.



- **Hosting is on the rise**
UK-based organizations project they will cautiously adopt outsourcing or hosted services for both their core messaging system, as well as for ancillary services (archiving, filtering, security, and encryption). Most will still keep their primary messaging infrastructure in-house, but by 2010 the penetration of hosted/outsourcing model for email security will be 28%, for disaster recovery and business continuity it will reach 23%, and for archiving it will reach 12%.

- **Exchange 2007 adoption will be significant**
For those on the Microsoft Exchange messaging platform, just over 25% plan to upgrade to version 2007 in the next 12 months, while a third of organizations plan on upgrading in the following 12 months. Interestingly, over 35% are not sure or have no plans to upgrade while only 6% have already done so.

- **Unified messaging adoption will increase**
Forty-three percent of organizations have no plans to deploy unified messaging while 16% have already done so. About 26% will implement unified messaging capabilities within the next 24 months while about 15% see deployment between two and four years out.

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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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