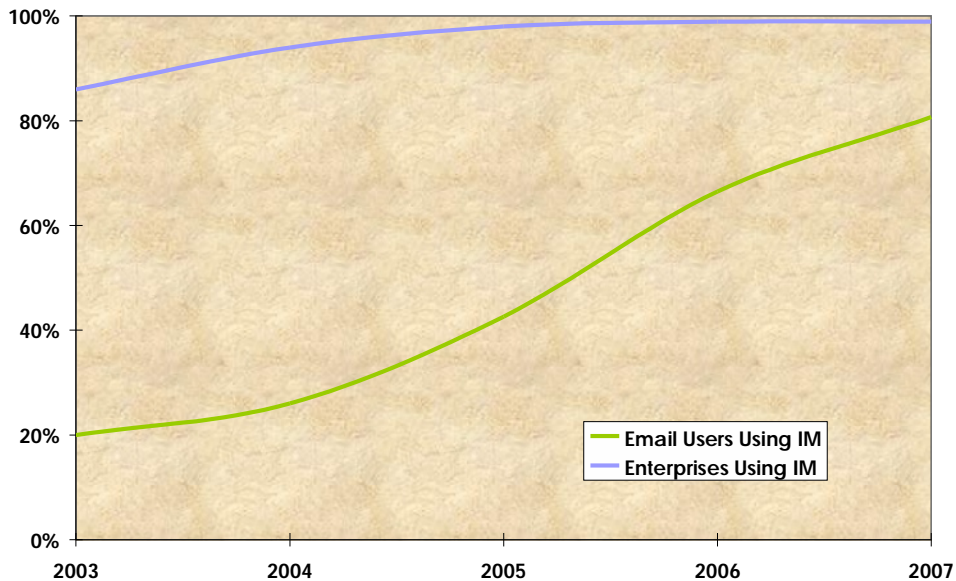


## Osterman Research Executive Summary

### Enterprise Instant Messaging: Problems, Needs and ROI

Instant messaging (IM) is currently used in the vast majority of North American enterprises: as of early 2004, IM systems are in use in 92% of all commercial and non-commercial enterprises. Further, 23% of all enterprise email users employ IM, a figure that we estimate will grow to approximately 80% of all email users by 2007, as shown in the following figure.

**Penetration of IM in Enterprises and Among Enterprise Email Users**



Unlike virtually any other communications technologies currently in use in the enterprise, IM, in most cases, has developed as a 'bottom up' technology. In other words, most enterprise use of IM started with individual users deploying their own IM client (typically a consumer-grade client freely available from America Online, Microsoft or Yahoo!) outside the auspices of their IT department. In only one-third of enterprises was the deployment of IM initiated by IT.

The informal nature of IM deployment, coupled with the heavy use of consumer-grade clients and proprietary IM networks, has created several problems for enterprises:

- Lack of namespace control: because most enterprise IM users employ their IM client independent of a corporate directory, enterprises have little control over the IM identities of their employees. This has two important ramifications:
  - Operation independent of a corporate directory means that IM identities may not reflect the naming policies of an enterprise.

- When an IM user leaves his or her employer, there is no way to prevent continued use of that user's IM name, resulting in significant potential liabilities for an employer.
- Lack of security: because consumer-grade clients and their associated networks do not provide end-to-end encryption, local routing or other secure messaging capabilities; and because these clients can often penetrate corporate firewalls; enterprises are at risk of receiving viruses, worms, rogue protocols and other malicious content through their IM infrastructure, not to mention the lack of protection for sensitive content transmitted via IM.
- Lack of auditing and logging capabilities: consumer-grade IM clients typically do not provide any sort of logging of IM conversations – when the parties to an IM conversation leave the session, the content of their conversation is lost unless the text thread is manually copied and saved. This can result in significant problems for an enterprise that archives employees' electronic communication. Further, it leaves an enterprise vulnerable if the archived content of an IM conversation is modified after the fact.

The perception of IM as an important business tool is maturing and both IT managers and line-of-business managers are becoming more open to IM's presence and use in the enterprise. What this also means is that enterprises in which users rely solely on consumer-grade IM clients – a significant portion of the use of IM in the enterprise – are opening themselves to a number of problems. As a result, the critical need for these enterprises moving forward will be to implement systems that will protect the network from these hazards, including the deployment of systems to manage the consumer-grade infrastructure currently in place, or implementing a purpose-built enterprise-grade IM system.

### Key Findings Presented in this Report

- The mean number of IM platforms in use per enterprise is growing.
- The percentage of enterprises that are using IM for business applications has more than doubled in less than three years.
- Enterprises are increasingly adopting one or more IM platforms as their corporate standard.
- Support for IM among IT departments is growing.
- The dominant interest in enterprise IM use is for business-to-business communications, not business-to-consumer communications.

- Presence – the fundamental technology on which IM is based – is growing in importance as a valuable business tool.
- Standards are critical when making enterprise IM purchasing decisions.
- As end users of IM employ the technology for longer periods of time, their use of the technology increases.
- A large percentage of IM users find that their use of the telephone and email is reduced because of their use of IM.
- Spam sent via IM (SPIM) is a relatively minor problem today, but may become a more significant problem over the long term.
- A growing percentage of enterprises are budgeting for IM.

## Table of Contents

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Executive Summary .....	1
Methodology and Overview .....	7
Current Enterprise Use of IM and Related Technologies.....	8
IM Applications in the Enterprise .....	16
What Enterprises Need From IM and Related Systems.....	29
The Impact of IM on End Users.....	36
IM Budget Issues.....	45
IM and ROI.....	47
Vendors and Market Share Estimates.....	54

## List of Figures

---

Penetration of IM in Enterprises and Among Enterprise Email Users.....	1
Percentage of Enterprises in Which IM is Used.....	8
Percentage of Email Users That Use IM on a Regular Basis.....	9
Percentage of Enterprises That Are Using IM for Business Applications.....	9
Methods by Which IM Entered the Enterprise.....	10
Mean Number of IM Platforms per Enterprise.....	11
Enterprises That Have Settled on One or More IM Platforms as Their Corporate Standard.....	12
IM Platforms on Which Enterprises Have Standardized.....	13
Enterprise Acceptance for Blocking All External IM Traffic.....	14
Enterprise Perception of the Possibility of Blocking All External IM Traffic.....	14
IT Attitudes Toward Instant Messaging, 2001-2004.....	16
Enterprise Views on Using IM for B2B and B2C Communications.....	17
Users Who Employ Other Applications With IM by Size of Organization.....	18
Enterprise Perception of the Importance of Presence.....	19
Enterprise Practices and Plans to Develop/Deploy Applications on Top of the Current IM/Presence Infrastructure.....	20
Perceived Desirability of the Extensibility of Presence and IM Into Various Applications.....	21
Enterprise Perception of Their Capabilities/Knowledge of How to Use Presence Outside the Context of IM.....	22
Enterprise Views on Secure Email versus Secure IM.....	23
Enterprise's Willingness to Accept Some Reduction in Security in Order To Allow Users to Communicate Via Public IM Networks.....	24
Enterprise Interest in the Use of Wireless IM.....	25
Enterprises' Perception of the Importance of Wireless/Mobile IM Capability.....	26
Key Job Functions That Would Use Wireless IM.....	26
Enterprise Interest in Various Wireless IM Platforms.....	27
Enterprises' Perception of the Importance of Chat Room Features in the Context of IM.....	28
Key IT Concerns About IM Use in the Enterprise.....	29
The Role of Standards in Enterprise IM Purchasing Decisions.....	30
Form Factor Preferences for Deploying IM to IT Staff.....	31
Form Factor Preferences for Deploying IM to Non-Management Infoworkers.....	31
Form Factor Preferences for Deploying IM to Middle Management.....	32
Form Factor Preferences for Deploying IM to Upper Management.....	32
Form Factor Preferences for Deploying IM to Mobile Workers/Telecommuters.....	32
Enterprises' Preferred Methods for Managing IM Server Hardware/Software.....	33
Enterprises' Preferred Methods for Managing IM Security.....	33

## List of Figures (concluded)

---

Enterprises' Preferred Methods for Managing IM Auditing and Logging.....	34
Enterprises' Preferred Methods for Managing IM Interoperability.....	34
Communication Technologies to Which Users Turn First When Contacting Others Inside and Outside the Enterprise.....	36
How Users Classify Their Use of IM by the Length of Time They Have Used IM.....	37
Impact of IM on Telephone Use Among Frequent IM Users .....	38
Impact of IM on Telephone Use Among Non-Frequent IM Users.....	38
Impact of IM on Email Use Among Frequent IM Users.....	39
Impact of IM on Email Use Among Non-Frequent IM Users .....	39
Enterprise Views on the Long Term Impact of IM on Email Traffic .....	40
Percentage of IM Users That Employ IM to Determine if an Individual is Available So That They Can Telephone Them, Visit Their Office/Cubicle, Send Them an Email, etc.....	41
Frequency of Receiving SPIM.....	43
Reasons That Audio and/or Video Capabilities Are Not Used With IM.....	44
Percentage of Enterprises That Have an IM Budget, 2003-2004 .....	45
Median IM Budget per Email User Where a Budget Exists.....	46
Use of Metrics to Justify the Purchase of an Enterprise IM System.....	47
Use of Metrics to Validate an Enterprise IM System After it Has Been Deployed.....	48
Percentage of North American Enterprises in Which IM Platforms Are Used .....	54

## List of Tables

---

Concerns that Enterprises Have About the Use of Instant Messaging.....	2
Importance of Various Enterprise IM Attributes.....	3
Benefits of IM By Category of User .....	42
Financial Services Company Cost Estimates.....	49
Example 1 Cost Estimates .....	51
Estimated Worldwide Enterprise IM Seats, Q1/2004 .....	55
Vendors of Messaging Products and Services .....	56

## About Osterman Research

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Osterman Research, Inc. provides market research, cost modeling, benchmarking and related services to vendors of technology-based 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.

**Enterprise Instant Messaging: Problems, Needs and ROI  
was published in April 2004 and is available for \$1,995.**



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