



## Enterprise Messaging Server Trends, 2007-2010

### Report Focus

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This report presents the results of a detailed research program into preferences and plans for messaging servers among mid-sized (100 to 2,500 email users) and large (>2,500 email users) organizations in the North American market. It focuses on the market for messaging servers, the cost of managing these systems, problems that organizations have in managing their messaging infrastructure, the potential for alternative messaging systems, and so forth. 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

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- **Less server consolidation**  
The trend of centralizing messaging servers slowed down this year, reflecting overall IT trends of moving resources from developing infrastructure to building productivity.
- **Windows messaging dominates**  
While Linux popularity has grown, Windows remains the preferred messaging platform for most organizations. It will continue to dominate in the smaller enterprises for some time. Within larger organizations, however, Linux is more popular as an email infrastructure platform.
- **Message delivery platforms**  
The majority of enterprises prefer on-premise email systems. Smaller organizations, however, are more open to purchasing a hosted service.
- **Storage growth woes**  
Messaging storage growth is the most serious problem facing IT executives today. For nearly one-half of organizations, messaging storage grew by up to 25% over the past year. Contributing to the demand for messaging storage are increasing employee use of attachments and users sending large attachments through email.
- **Legal discovery, a major concern**  
Changes in the Federal Rules of Civil Procedure (FRCP) will impact budgets next year. A significant minority of small enterprises view themselves as being poorly equipped to address FRCP compliance concerns. As such, auditing and monitoring tools will take top position in messaging budgets next year with email archiving and tools for electronic discovery being the most popular.



- **When it comes to price, size matters**  
Smaller organizations are spending twice as much per seat on messaging as are larger organizations. With increasing storage costs, a sizeable minority of participants are not very confident in their ability to estimate those costs.
- **Inspecting employee messages**  
While organizations are concerned about potentially damaging or embarrassing email, the overwhelming majority do not want to be in the business of inspecting outgoing emails either before or after employees send email.
- **Internal messaging security**  
Growing awareness that more security threats originate behind firewalls than outside are forcing IT organizations to reconsider their security postures.
- **Popularity of messaging architectures**  
Microsoft continues to lead the installed base of corporate messaging systems. While Exchange accounts for the largest single share of the installed base in North America, the much larger market for the platform is in large organizations of >2,500 users where Notes/Domino has a large share, while Exchange dominates more completely in the middle tier of 100- to 2,500-seat organizations.
- **Initiatives for 2008**  
One-half of organizations are going through an email server upgrade, while two in five are planning a platform upgrade or migration. More than a third are planning on upgrading or deploying systems for combating spam, viruses, and spyware.
- **Storage management will be critical**  
For the past two years, the most serious problem cited by messaging decision-makers in mid-sized and large organizations has been growth in email storage. Osterman Research believes that this will continue to be a major problem for organizations given that email use is growing at roughly 20% per year, that email attachments are becoming larger and that email is increasingly used as a repository of critical business documents.
- **Future for messaging applications**  
Over the next four years, two-thirds of organizations indicated that they expect to adopt unified messaging in some form.
- **Alternative vendors will not dominate, but their business will grow**  
Alternative messaging vendors continue to face a stiff challenge from the entrenched vendors, namely Microsoft, IBM and Novell. That said, Osterman Research believes that a variety of alternative messaging vendors will see growing sales volumes over the next several years.



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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 Messaging Server Trends, 2007-2010  
was published in November 2007 and is available for \$2,295**

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