

Magic Quadrant for Enterprise Wireless E-Mail Software Market

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The enterprise wireless e-mail market is consolidating around Research In Motion and Microsoft. Technology maturity, product interoperability and adoption continue, driving progressive commoditization.

WHAT YOU NEED TO KNOW

The enterprise wireless e-mail market has further consolidated during the past 12 months. Nokia, discontinued its product and dropped from the market as a result of a renewed strategy regarding mobile devices. Motorola sold Good Technology to Visto, in an attempt to deal with its overall troubles. Both handset manufacturers dropped their efforts on wireless e-mail software to focus on core competences. Research In Motion (RIM) continued to lead the wireless e-mail market, and Microsoft grew its presence in the Exchange customer base.

Stakeholders should use this Magic Quadrant to understand today's wireless e-mail market and its evolution, and to make tactical and informed decisions on products and services that support their long-term mobility strategies (see Figure 1 and Note 1).

MAGIC QUADRANT

Figure 1. Magic Quadrant for Enterprise Wireless E-Mail Software Market



Source: Gartner (May 2009)

Market Overview

The market for enterprise wireless e-mail products is mature, with most new demand coming from the expansion of the user base in companies that already deployed the technology. Despite shrinking IT budgets in 2009, wireless e-mail continues to be a priority for mobile investments. The core capabilities of wireless products and service are mature and becoming increasingly

interchangeable, as user numbers grow and prices fall (see "Commoditization Drives The Enterprise Wireless E-mail Market"). Rising demand from users for wireless e-mail will continue to challenge IT organizations, due to client platform fragmentation, the availability of consumer products and users' desire for choice.

The enterprise wireless e-mail market is consolidating around two vendors: RIM (with about 40% market share) and Microsoft. Sybase has a less than 10% share, while Good Technology, Excitor, Notify Technology and CommonTime are niche players, with local presence and limited capabilities. IBM is a new entrant and has yet to develop significant presence. During 2008, Nokia and Motorola discontinued their products and now rely on partnerships with vendors like Microsoft and Sybase for enterprise e-mail. We expect consolidation to continue and that RIM and Microsoft's combined market share will reach 80% by 2012. Microsoft's growth will be founded on its dominant position in the enterprise e-mail market. By 2012, more than 50% of Exchange organizations will use the native capabilities in the e-mail server. Other vendors will abandon the market or seek to differentiate through other areas, such as applications.

Market Definition/Description

Many wireless e-mail products and services are available for business users and consumers. Handset manufacturers, software and hardware vendors, mobile operators and service providers see this area of opportunity as the highest priority. Two categories are targeted to enterprises:

- **Enterprise software products.** A mobile software gateway is at the enterprise premises. It securely delivers corporate e-mail to mobile devices. Technology vendors sell these products directly to customers or through distribution channels, such as mobile operators, service providers and system integrators. The two most successful products are RIM's BlackBerry Enterprise Server and Microsoft Exchange Server. Midsize and large organizations traditionally choose these products, deploying and managing them internally.
- **Enterprise services.** External providers deliver "managed" or "hosted" services to customers, deploying the above products in their own data centers. They run, secure and manage the infrastructure (often including the e-mail server), providing user support. IT integrators, such as Fujitsu Services, IBM Global Services and HP, are active globally. New specialized providers operate locally (see "Q&A: Sources for Hosted Exchange/BlackBerry Service"). Mobile operators (for example, Vodafone and T-Mobile) offer service bundles with security, management, data plans and devices. A growing number of midsize and large organizations choose this approach. Further "e-mail-as-a-service" offerings and adoption are expected as part of the cloud trend.

This Magic Quadrant focuses on the enterprise software product market. For more information about other wireless e-mail offerings, see "Commoditization Drives the Enterprise Wireless E-Mail Market."

Inclusion and Exclusion Criteria

This set of vendor inclusion criteria covers up to 80% of the total wireless e-mail software market for enterprises. To appear in this Magic Quadrant, vendors must offer wireless e-mail software suitable for use by organizations. Vendors also must fulfill criteria that set the minimum technical capabilities required.

Mandatory Criteria

To qualify for inclusion in this Magic Quadrant, vendors must meet the following criteria:

- Single data store for e-mail: All e-mail actions must be processed immediately in a central data store to avoid the confusion caused by processing multiple, independent actions in multiple stores. Temporary copies of messages may be on wireless devices or on the network, but actions must be reconciled at the central store. Immediate action on personal information management (PIM) data is not required but is desirable.
- Data solution behind corporate firewall: To be considered secure, the technology that communicates with the central e-mail data store, and routes e-mail or PIM data to wireless devices, must sit behind the corporate firewall. There must be a secure link between wireless devices and the central store that does not originate or terminate on noncorporate assets. The network may include devices that improve performance, but information must not reside on the network permanently or in unsecured locations.
- Offline support for at least two of these device platforms: Apple iPhone, Microsoft Windows Mobile, Symbian or RIM OS. Support for more than two types of device platforms is preferred.
- Support for multiple devices on multiple mobile networks: Products must not tie customers contractually to one mobile operator, forcing them to use its services. A vendor may operate a network operations center (NOC) to support different mobile networks. Alternatively, the user may manage the connections to different operators.
- Support for wireless devices' native e-mail programs, or support for an alternative e-mail client with superior functions: We favor offerings with proprietary (or standardized) e-mail and PIM clients that provide similar functions across different device platforms, because they create a consistent look and feel.
- A minimum level of security support: The wireless e-mail product must implement natively remote wiping, support a complex alphanumeric password and force password changes for at least one supported device.
- Relevant production shipments of admissible wireless e-mail products: The total installed base must be at least 50,000 seats. In 2008, market revenue must have been more than \$3 million.
- Evidence of references for wireless e-mail products: We require at least three customer references with the product deployed and in operation for at least six months. Customers must be free to connect to multiple mobile networks or to change mobile carriers. The deployment must involve at least 100 users. A service provider may run the system for the customer, but the central store must reside on the customer's premises or with a designated outsourcer.

Desirable Criteria

Several other capabilities are desirable, including support for:

- Push e-mail and PIM. This is the preferred method. Other methods include server- or device-timed, user-initiated or message-based synchronization through a mechanism such as Short Message Service (SMS). For message-based synchronization, SMS may be used to awaken a device when a mobile operator has disconnected it from the network, or when its Internet Protocol (IP) address has been modified and has not been relayed to the e-mail and PIM routing software.

- Microsoft Exchange Server. Products are considered better if they also support Lotus Domino, Novell GroupWise, and Internet Message Access Protocol (IMAP) or Post Office Protocol Version 3 (POP3) systems.
- Reading, forwarding and altering e-mail attachments. Products that enable users to download, read and edit the original attachment file (for example, PowerPoint or Excel) are considered better than solutions that support only a simplified version.
- Lightweight Directory Access Protocol (LDAP) or global address lists — for example, the ability to access the directory of corporate e-mail addresses for applications other than e-mail.
- Connection to enterprise repositories or server — for example, Microsoft SharePoint or FileNet or IBM FileNet.
- Filtering options. These include a two-step retrieval process in which e-mail headers are delivered first, followed, in a separate action, by the bodies of any messages the user selects. Filters may allow a partial download of attachments (the first 50 kilobytes) or of e-mail bodies.
- Security features. These include multiple encryption and authentication methods, especially the U.S. government's Federal Information Processing Standard (FIPS) 140-2 certification, local encryption, remote wiping, enforcement of password policy and the use of a single password for all client applications on any supported platforms.
- Remote IT administration and device management. Products are considered better if they enable extensive remote management of mobile devices — for example, full, over-the-air software installation, configuration and service provisioning, security policy enforcement, mobile-device and client monitoring through dedicated portals and asset management on supported platforms.
- Corporate data access, integration with corporate applications and offline deployment of client applications. Wireless e-mail software products belonging to a wider mobility platform suite that encompasses applications, device management and security are considered more complete and appropriate for enterprises to support a long-term mobility strategy.
- Enhanced personal communications. Technologies considered superior and more appropriate for enterprises to support a long-term mobility strategy are products that offer enhanced interface modalities, such as voice interaction; unified communications capabilities, such as voice over IP (VoIP), instant messaging (IM) and presence; and collaboration features, as in social-networking tools (or demonstrate vision and road maps for future releases).

Added

One vendor has been added since the previous Magic Quadrant for the Enterprise Wireless E-Mail Software Market:

- **IBM:** The company released a product in January 2008 called Lotus Notes Traveler, to extend Lotus Domino server with wireless e-mail and personal information management capabilities on selected Windows Mobile and Symbian devices. Initial security limitations in this product and lack of references prevented IBM from inclusion in the previous Magic Quadrant edition. With Lotus Notes Traveler 8.5, released in December 2008, IBM enhanced mobile security, adding password change enforcement and device wipe

for Windows Mobile devices (Symbian support is expected with release 8.5.1 later in 2009). Reference customers have been provided, too. IBM continues to pursue a partnership strategy, with wireless e-mail providers that offer best-of-breed front ends to Domino to support device diversity. Partners include RIM, Good Technology, Sybase, CommonTime and Excitor. IBM is no longer pushing WebSphere Everyplace Access, which provided wireless e-mail as an add-on component to Lotus Domino and Exchange to WebSphere users.

Dropped

One vendor has been dropped since the previous Magic Quadrant for the Enterprise Wireless E-Mail Software Market:

- **Nokia:** In September 2008, the company decided to cease developing and marketing its wireless e-mail enterprise software product, Intellisync, discontinuing any efforts in this area, as part of Nokia's renewed enterprise market strategy. All development efforts will focus on mobile devices, relying on partnerships with IT players such as Microsoft and IBM for the software infrastructure part (see "Nokia Drops Enterprise Software, Intellisync Users Lose Out").

Additional vendors of wireless e-mail products are not included in this Magic Quadrant, because they do not qualify for inclusion (see Note 2).

Evaluation Criteria

Ability to Execute

Product/Service

- Predictability of product upgrades and new releases
- E-mail servers and heterogeneous architectures supported
- Devices that support the vendor's wireless e-mail offering using its own client software (considered best), the device's native client software or Web and Wireless Application Protocol (WAP) browsing
- Synchronization mechanisms for push and pull e-mail (we consider the former particularly important)
- NOCs, whether managed by the vendor or by others
- Wireless networks supported — for example, general packet radio service, code division multiple access and Wi-Fi
- Security: local, transport, data access, etc.
- Additional features, such as a global address list, LDAP, attachments and management functions
- Remote management and IT administration capabilities
- Other messaging clients for IM and push-to-talk services, among others
- Extent of support for new client platforms, applications, and security and mobile-device-management technologies

- Capability to make crucial deals with other technology providers or with mobile operators for distribution purposes

Overall Viability (Business Unit, Financial, Strategy, Organization)

We pay special attention to vendors' financial health. Specific considerations include:

- Financial goals for the next three years and the strategy for meeting them
- Financial growth
- Profitability or strategy to become profitable
- Contingency plans
- Investments in branding, advertising and marketing
- Nature of the company: startup or established, private or publicly owned (including plans to go public)
- Total revenue
- Revenue from wireless e-mail products (licenses, services and so on)
- Expenditures on R&D and market branding
- Capital raised, available cash and monthly burn rate
- Primary investors, previous round of funding and the ways funds are used

Sales Execution/Pricing

- Revenue generated from the sales channel
- Performance metrics: Number of customers (organizations), subscribers (individual workers) and seats (e-mail gateways), in addition to the size of the largest deployment
- Number of sales partners and how the parties apportion revenue
- Sales training and support, and generation of sales leads
- Pricing model: Its simplicity, transparency and inclusion of easy-to-understand pricing for customers

Market Responsiveness and Track Record

This criterion addresses the ability of a vendor to understand the needs and expectations of its market, and how it will execute to satisfy established and potential new customers.

Marketing Execution

- Marketing alliances
- Cobranding strategy with mobile operators, device manufacturers and others
- Extent of local deals with mobile operators
- Number of direct competitors
- Structure of marketing department

Customer Experience

- The ways in which customers receive technical and other support, reports of good and bad experiences
- Customers' freedom to use different mobile operators and to switch from their initial choice of operators to others without having to change software infrastructures or devices
- Customer feedback on products, services, prices and so on (we gather this information from a Web-based questionnaire for reference customers and from conversations with many of our clients)

Operations

- Total number of employees in different countries, and the extent of the company's presence in those countries
- Number of staff in important departments, such as sales, marketing and R&D
- Cohesiveness of management board
- Strategy to create global presence
- Customer service and the structure of its provision
- Existence of offshore development center
- Pending lawsuits

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product/Service	high
Overall Viability (Business Unit, Financial, Strategy, Organization)	standard
Sales Execution/Pricing	standard
Market Responsiveness and Track Record	standard
Marketing Execution	standard
Customer Experience	high
Operations	high

Source: Gartner (May 2009)

Completeness of Vision

Market Understanding

- Support for multiple client platforms and multiple e-mail servers
- Commitment to porting e-mail and PIM client software to different hardware platforms
- Commitment to interoperability and standard adoption
- Support for corporate data access and applications

- Security and device management
- Independence from mobile operators
- Clarity of product road map
- Price simplification and reduction
- Understands the competition

Marketing Strategy

- Go-to-market strategy — for example, selling direct to customers, or indirectly via mobile operators and value-added resellers
- Focus on specific customer segments, as opposed to broadness of scope
- Branding, advertising and public relations strategy

Sales Strategy

- Overall sales strategy
- Distribution strategy
- Strategy for distribution channels and resellers
- Cobranding deals with OEMs, such as handset makers
- Structure of sales department
- Strategy for expanding sales and distribution
- Strategy for increasing the installed base of products

Offering (Product) Strategy

- Speed of developing and enhancing products in relation to market requirements
- Partnerships with other technology companies to accelerate development of new features — for example, greater security and support for more client platforms
- Support of and adherence to standardization efforts
- Integration of software with IM, network presence information, VoIP services and so on

Business Model

- Strength of focus on wireless e-mail and PIM products (that is, whether the vendor also has major interests in items such as white-label offerings, desktop synchronization software and mobile applications designed for specific industries)
- Degree of focus on enterprise customers
- Partnerships with other types of companies, such as mobile operators and handset manufacturers, with corresponding revenue streams; revenue sharing

Innovation

- Resources available for R&D, innovation process

- Expertise or capital available for investment
- Recent steps toward consolidation (that is, mergers and acquisitions)
- Innovative deals with distributors, OEMs and mobile operators, among others

Geographic Strategy

- Vendors' presence in foreign markets and their plans to be there in the short term

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	high
Marketing Strategy	high
Sales Strategy	high
Offering (Product) Strategy	high
Business Model	standard
Vertical/Industry Strategy	no rating
Innovation	standard
Geographic Strategy	high

Source: Gartner (May 2009)

Leaders

Vendors classified as leaders have seen continuous growth in their installed bases of wireless e-mail gateways and subscribers. They are the subjects of most inquiries from Gartner clients about wireless e-mail product strategy and selection. Leaders have established positions in several areas of technology, and pursue innovation in areas related to wireless e-mail product features and services. They are good at communicating the value of their offerings, have a wide geographical presence, and have extensive plans for sales and distribution. Comments from clients must point to a high degree of satisfaction with the level of support provided and to operational excellence.

Challengers

Challengers in the wireless e-mail software market typically have a strong client base to which they can sell, or an established presence in this market. However, they lack vision in one or more areas — often product design, marketing or sales.

Visionaries

These vendors often have a compelling technical vision, but have yet to determine how to grow in other respects. Some are large companies that understand the market and have an idea of how to address its needs, but have so far been unable to fulfill their plans.

Niche Players

These vendors are typically small players dedicated to a specific market geography, sector or approach; or, they are larger companies that have not shown a strong presence in this market. Both types of vendors normally have limited marketing, sales and operations capabilities. Their

products support a narrow range of e-mail server products or standards. For smaller players, the overall situation (financial, strategy and organization) may be weak. They may have prioritized other areas of business at the expense of investing in wireless e-mail products. We generally advise clients to choose these vendors if they offer features uniquely suited to the organization's needs. Even then, it is worth planning for alternative support in case the niche vendor leaves the market.

Vendor Strengths and Cautions

CommonTime

CommonTime is a small, U.K.-based, privately held company that sells an integrated suite of products called mSuite v.5.05, which includes push e-mail, chat, data replication, mobile device security and device management, and a small suite of out-of-the-box mobile applications, such as expense management, time sheets, CRM and field service. The company claims that its revenue grew during 2008, with approximately one-third generated in North America. CommonTime plans to focus mSuite more on mobile application enablement, data security and mobile device management, offering close integration with Notes databases, forms applications and a software development kit.

Strengths

- Ninety-five percent of CommonTime's business is centered on Lotus Notes Domino, with close integration with Notes e-mail, data collection and replication, and Sametime chat. However, mSuite also supports Microsoft Exchange.
- The mSuite product is device- and network-agnostic, and supports Palm OS, Windows Mobile and Symbian Series 60 devices. It uses the device's native e-mail and PIM client, with some enhanced functionality on Windows Mobile. An iPhone client is under development.
- CommonTime has many partnerships for distribution, co-marketing and co-selling in Europe and North America, including system integrators, mobile operators and hardware manufacturers.
- CommonTime offers a behind-the-firewall NOC-less architecture and a NOC-based architecture (two nodes based in the U.K. and two in North America), featuring end-to-end encryption with no temporary storage or decryption of e-mails in transit. mSuite is available for private deployments to carriers and enterprises.
- The encrypted data stream between the mSuite server and the mobile device is compressed, reducing mobile data usage costs.

Cautions

- The marketing vision and execution remained basic during 2008 (for example, a poor Web site and lack of online services, as compared with other vendors in this space). In early 2009, a new marketing director was appointed; a new Web site and marketing program probably will be launched in May 2009.
- The traditional partnership with IBM may weaken, because IBM now supports natively wireless e-mail with Notes Traveler.
- Competition in the Lotus Notes Domino market is aggressive because, beyond IBM, vendors such as RIM, Sybase and Excitor offer integration with Notes, as well. Local

competition from Excitor, which also supports Microsoft Exchange, may represent an additional challenge that could limit the company's growth and presence in Europe.

- CommonTime's new marketing and sales strategy is ambitious for a small company. It plans to launch its product in India and China during 2009, to move from an 80% direct sales model to an 80% channel sales model by 2010.
- While mSuite is Unicode-enabled, currently only English and three European languages are offered.

Excitor

Excitor is a small startup company based in Denmark with rapid growth in size, revenue, sales and customer base. The company business is mostly European-focused, but aims to expand internationally during the next three years. It is the main alternative for former Nokia's Intellisync European customers that plan to replace their initial deployments.

Strengths

- Excitor's product, DME, offers wireless e-mail and PIM capabilities, complemented by extensive support for mobile security, device management and data center disciplines, such as high availability, load balancing and service management.
- DME has a proprietary e-mail client integrating with native capabilities for calendar and PIM functionality on a range of client platforms (including iPhone, for limited capabilities) and supports IBM Lotus Notes and Domino, and Microsoft Exchange.
- An adaptive keep-alive mechanism optimizes the wireless connection performances on push e-mail delivery.
- Pricing, which is based on perpetual licenses, with additional charges for maintenance, technical support and system integration projects, is better articulated than that of any other niche vendor.
- The customer base in northern Europe includes large organizations with large deployments, particularly in finance, banking and consultancy sectors.
- Excitor has aggressive marketing and execution plans to raise its visibility in the enterprise market.
- It has growing partnerships with carriers (for example, TDC and service providers, such as Airloom in Australia) beyond the established relationship with IBM. This increases its viability outside local markets.
- It has a complementary offering on managed services, hosted services and e-mail as a service.
- Financial performance is better than the other niche players in this market; although the economic downturn and competitive pressure might have a negative impact on it during 2009.

Cautions

- It is a small company with limited operations capabilities. Some layoffs occurred early in 2009 to cope with the economic downturn.

- Its presence is still limited to Europe, particularly in the Nordic countries. For 2009, plans for international expansion focus on partnerships with local distributors (as opposed to open local offices).
- Support for mobile applications beyond e-mail is minimal, despite plans for future releases to expand its presence in that area.
- Competition is growing from market leaders with a global presence — RIM, Microsoft and Sybase — as well as from the new entrant, IBM, with its wireless e-mail product.
- Ambitions around the e-mail-as-a-service offering are challenged long term by players such as Microsoft and Google with their cloud computing strategies.

Good Technology

Good Technology was acquired early in 2007 by Motorola. It went through a difficult integration process that implied initial inclusion in the mobile-device division, followed by a move to the enterprise division as a more natural fit, given Good's experience and customer base. Since 2007, Motorola has endured its own crisis, limiting Good's ability to exploit the originally expected synergies, particularly on internationalization, affecting its viability in the market.

In February 2009, Motorola sold Good to Visto, a U.S.-based company offering wireless e-mail white-label products to mobile operators worldwide. Visto is a technology provider for the entire Vodafone Group and deploys consumer wireless e-mail services in many countries. Visto holds a set of patents on wireless e-mail; and during the past years, it was involved in a number of patent disputes with key players in this market (one with RIM is still pending).

Good Technology is the new name of the entire company, which encompasses Visto and the acquired Good assets. It will sell Good Messaging and Visto's products to the enterprise and carrier markets, respectively. This research considers the enterprise offering only (called "Good for Enterprise"), specifically Good Mobile Messaging 6.0.

Strengths

- Good offers a complete enterprise product that competes with RIM for richness of user experience, security support and IT management. Good Messaging supports Exchange and Notes, and includes a proprietary software client that delivers e-mail and PIM capability across multiple device platforms (including devices from Palm, Nokia, HTC and Samsung). Its NOC-based infrastructure has demonstrated service resilience, with minimal service interruptions for end users.
- The product offers a generic network interface, and full carrier independence. It does not require local support for carriers to deploy the Good infrastructure outside North America.
- Good Technology has a partnership with IBM to mobilize Notes Domino; but, in the next months, IBM will probably focus its wireless e-mail strategy more on its product Notes Traveler.
- Visto's relationship with Vodafone and other carriers, such as T-Mobile International, may help provide international support to North American customers with better data contracts and service levels. These relations extend Good's partnerships with mobile operators, particularly in the U.S. (Sprint Nextel, AT&T, Cellular South and Centennial Wireless), and with O2 (U.K.) and Telstra (Australia). Verizon and AT&T, large U.S. carriers, continue to be committed to Good Technology.

Cautions

- During the past 12 months, some of Good's clients migrated to other solutions (in particular, to Microsoft Exchange's native support), mostly driven by the uncertainties with Motorola's situation. Visto's acquisition seems to have renewed Good's opportunity to evolve its products and deliver them in the market, but perception issues with the buyer might reduce the benefits.
- There could be challenges with the integration of the two companies, from organizational, technical and commercial perspectives (for example, possible loss of people and scale from the old Good company). As of the publication of this research, it is not clear whether the new company will be able to retain Good's customers.
- Evolving and maintaining both product offerings, with multiple device platform support, will be challenging. The new company might be tempted to migrate Good's customer organizations to Visto's solution (now renamed "Good for You"), de-emphasizing efforts on Good's products.
- Internationalization might remain a challenge, given the advanced status of technology investments and deployments already done by mobile operators in Europe and other regions. Despite Visto's stronger presence in the carrier market, the opportunity window to sell Good through Visto (at least to Tier 1 players) might be closed already.

IBM

Since 2008, IBM has released Lotus Notes Traveler, its wireless e-mail product for Lotus Notes, supporting Windows Mobile and Symbian devices. An iPhone client has been released in beta version in May 2009. This is a Domino server add-on that provides basic functionality and lacks key endpoint security capabilities that IBM must quickly add to gain traction in the market. IBM continues to support partners offering more fully featured mobile e-mail solutions for Lotus Notes, including RIM, Good Technology, Sybase and CommonTime.

Strengths

- Backed by the global presence and financial strength of IBM, Lotus Notes Domino is the second-largest global commercial e-mail server software product. By virtue of the installed base of Lotus Notes, Notes e-mail has a strong presence in some sectors, including government, financial and pharmaceutical.
- IBM's Lotus Notes Traveler wireless e-mail product can be installed directly on a Lotus Domino server (v.8.0.1 and above), and inherits Domino's established users and policies.
- An integrated mobile client leverages the native e-mail client on the device, and provides support for over-the-air encryption for e-mail via Secure Sockets Layer (SSL). It also provides integrated support for Lotus Mobile Connect and third-party mobile virtual private network solutions.
- Lotus Notes Traveler is made available at no charge to all customers that have licensed the IBM Lotus Domino 8.x server software for messaging.

Cautions

- Competition is from Microsoft Exchange, which leads the e-mail server market and continues growing its market share.

- While it has re-invigorated its Lotus software business in other areas during the past 12 months, IBM has to expand and maintain its presence in accounts increasingly deploying Microsoft's Office suite and Exchange server.
- IBM has been very slow in releasing native wireless e-mail capabilities to Notes; it eventually added minimal support for Windows Mobile and Nokia S60 smartphones. Apple's iPhone has been announced in beta release for testing in May 2009.
- Notes Traveler does not currently support Global Address List lookup.

Microsoft

Microsoft is growing as a leader and is the biggest threat to RIM. We estimate that Microsoft has almost 30% of the enterprise wireless e-mail market share and will continue to grow in the Exchange installed base. The big market share of Microsoft e-mail server (expected to reach 70% by year-end 2009) is driving increasing support for Exchange ActiveSync on multiple client platforms, including iPhone and likely Palm Pre. As a consequence, Exchange ActiveSync is turning into a de facto standard at the server side, as proved by Google's initiative (see "Google Sync Makes a Step Toward Cloud Synchronization for Mobile Devices").

Organizations using Exchange for corporate e-mail should evaluate this capability, but carefully compare different service bundles from mobile carriers to contain wireless connectivity costs and optimize service quality.

Strengths

- Microsoft's wireless e-mail solution is a native capability of its e-mail server product line — for the releases Exchange Server 2007 and Exchange Server 2003 (through the Service Pack 2). This capability, with basic security, is available at no extra charge with Outlook Web Access. It is based on the Exchange ActiveSync (server side) protocol's implementation.
- It has broad multiclient support, through Exchange ActiveSync. In addition to the Windows Mobile OEMs (HTC, Motorola, HP and LG), Exchange ActiveSync protocol (client side) is licensed to a variety of non-Windows Mobile OEMs, including Apple, Nokia, Samsung, Palm, Sony Ericsson and Virgin Mobile.
- There is strong vision and support for unified communications and collaboration experiences on Windows Mobile devices through the integration of Exchange, Office Communications Server (OCS) and SharePoint products.
- Microsoft has more than 160 deals with carriers worldwide (such as Vodafone, T-Mobile, Orange and Cingular) to distribute Windows Mobile devices. Some carriers offer special data plan deals, but there is no global agreement among carrier partners, nor single data contracts across those networks, as in the case of RIM.
- The NOC-less architecture means complete independence from the mobile operators, with no involvement in service provisioning. No special wireless data service contract is required to link to Microsoft's wireless e-mail. Generic data contracts are sufficient.
- There are enhanced security and management levels on a selected configuration. With Windows Mobile 6.1 and 6.5 devices, Exchange Server 2007 plus System Center Mobile Device Manager bring the level of supported security and management policies closer to RIM BlackBerry products — for average security and management requirements. With Nokia E71, the native hardware encryption capabilities of the device,

combined with Exchange ActiveSync implementation, offer fairly good support for local security and management.

- As of 1Q09, Exchange accounts for approximately 62% of the enterprise e-mail server market. Microsoft is developing a strong cloud service offering, encompassing e-mail.
- Increasing adoption of this solution is occurring in the Microsoft Exchange Server installed base. Increasingly, it is adopted in parallel by enterprises that run a BlackBerry Enterprise Server for a selected group of users. Microsoft's is the most discussed solution in our client inquiries.

Cautions

- The absence of a NOC means that IT organizations must manage multiple carrier relationships. Despite the many relationships with carriers, few global service products are available. This means lack of support for international travelers, and lack of predictability on roaming costs, as opposed to RIM, which offers the best deals (see "Comparison of RIM and Microsoft Reveals That Value Depends on Needs").
- Data transmission over wireless networks is not as efficient as RIM's, so the cost per message is higher.
- The addition of System Center Mobile Device Manager brings Microsoft's and RIM's solutions closer to each other, when the latest Windows Mobile 6.x devices are deployed. However, this platform does not align with Exchange's approach to interoperability; therefore, it does not support IT organizations to optimize mobile device management and security process for multiple devices.
- Unlike RIM, Good Technology and Sybase, Microsoft has no bundled application extension capability consisting of interfaces to back-end applications, combined with a client browser.
- Maximum security levels supported by Exchange ActiveSync require an upgrade to Windows Mobile 6.1. On non-Windows Mobile smartphones, there is no support yet for the full security extensions. Nokia has not announced plans to support them. Apple, by contrast, has agreed to match 6.1 policy enforcement.
- E-mail and PIM functionality depend on the native client supplied by the operating system (OS) platform vendor.

Notify Technology

Notify Technology is a small, California-based public company that claims 25% growth in sales and revenue for the past five years. Notify primarily sells direct in North America, and via resellers internationally.

Strengths

- Notify's e-mail product NotifyLink v.4.5.2 is device- and operator-agnostic, and offers broad flexibility on the server side. Traditionally focused on GroupWise, Notify now supports IMAP4, SyncML, Messaging Application Programming Interface (MAPI), Exchange ActiveSync, WebDAV and calDAV protocols, extending mobile e-mail support to many of the smaller market share e-mail servers and collaboration suites, including those from Sun Microsystems, Oracle, Mirapoint, Scalix and Zimbra. Notify also integrates with Microsoft Exchange, but not with IBM Lotus Notes Domino.

- It is a significant player in the higher education market segment, due to its support for IMAP4 and for open-source e-mail server products.
- On the client device side, Notify supports many mobile-client OS platforms, including BlackBerry (as a RIM partner), Windows Mobile, Symbian Series 60, Palm and iPhone. Notify has a proprietary e-mail client with attachment handling for each of these platforms, with the exception of the iPhone, where it uses the native e-mail client.
- Notify offers security and device management functionality on supported platforms.

Cautions

- With a North American-focused presence, Notify is a small local player competing in niche market segments (higher education) for niche e-mail server deployments. International sales are handled by resellers, with support handled by Notify's U.S. office. The lack of an international presence presents a concern for U.S.-based companies with international businesses and operations.
- Notify faces stiff competition in the GroupWise market from RIM, but no longer from Nokia Intellisync.
- Some customers have expressed concern about the stability of the client software, although the customer base appreciates Notify's prices and its willingness to tailor its software.

Research In Motion

RIM has the largest installed base, with approximately 25 million wireless e-mail subscribers worldwide, compared with the other vendors in this Magic Quadrant. The company remained profitable and continued to grow revenue through 1Q09, despite the economic downturn.

Strengths

- It is very successful with Level C executive users, because of the usability and security profiles of its products and services. Beyond the traditional business focus, RIM has been successful in reaching an increasing number of professional consumers and consumer users through its BlackBerry Internet Service and smartphones, such as Pearl, Curve, Bold and Storm.
- The company has a strong international presence, partnering with more than 475 mobile operators in 160 countries. With its carrier relationships and the highly efficient wireless data transmission, BlackBerry's traffic and international data-roaming charges are often the most convenient. The global pricing plans offer huge cost advantages over other products.
- RIM has the most network-efficient protocol, compared with other products.
- RIM has strong security and manageability support, certified by many governments, and focused on IT department needs.
- The company has a unified communications strategy to integrate e-mail with VoIP, presence and IM on a converging infrastructure. It integrates with Microsoft's and IBM's collaboration suites, and with corporate voice systems (legacy and IP PBX).

- RIM has viable application development tools through its mobile data services portal to deliver applications. The company has had a growing presence in North America for Java Platform, Micro Edition (Java ME)-based applications in field service since 2007.

Cautions

- With 82% of its FY09 revenue from devices, RIM leads in this market, mostly because of device sales. Competition is getting tougher for devices and service/software, with other strong smartphone players, such as Apple and Nokia, because of their support in smartphones for Microsoft Exchange ActiveSync.
- BlackBerry is a proprietary, single-source solution that offers the best experience to its users (the IT department and mobile workers) only when homogeneously deployed (all BlackBerry infrastructures at the server and client sides). Attempts to open the environment through initiatives such as BlackBerry Connect and Virtual BlackBerry have not been consistently successful or available, and should not be considered mainstream strategies.
- Although RIM continues to expand the narrow set of devices offered, not all have been equally successful; the consumer market is perhaps more demanding and fickle than the enterprise market.
- BlackBerry's software infrastructure focuses most of its e-mail, third-party application, security and management support only on BlackBerry devices. Enterprises will have to consider other software infrastructure to serve non-BlackBerry devices.
- Service resilience and service-level management demand is growing from BlackBerry customers. A rapid growth in the installed base puts RIM's NOC infrastructure and service reliability under stress, causing some outages in 2008. Actions have been taken to improve service resilience, and no further problems have been registered in the past eight months.

Sybase

The only major independent wireless e-mail provider in this market, Sybase offers a complete suite for enterprise mobility. Sybase iAnywhere becomes most attractive for e-mail/PIM when further applications are deployed/developed using its mobility platform. Sybase represents one of the main alternatives that former Nokia's Intellisync customers consider to replace their initial deployments.

Strengths

- Support is available for a large variety of mobile client platforms, including Windows Mobile, Symbian, Palm OS and iPhone OS. Android and Palm Pre support is planned for a future release. Sybase also offers flexibility on the server side, supporting Exchange and Lotus Notes Domino.
- Sybase iAnywhere provides extensions to native e-mail/PIM clients (for example, meeting invitation, corporate directory and search capability) for Windows Mobile, iPhone and Symbian devices. The degree of customization depends on the device.
- As part of the Sybase Unwired Platform, Sybase's wireless e-mail platform (iAnywhere Mobile Office, formerly called OneBridge) can be extended to cover enhanced security, management, application development and offline Web browsing. In addition, it includes

the ability to use wireless e-mail as a vehicle to integrate and mobilize business processes that connect to corporate applications.

- iAnywhere Mobile Office offers an extension to enhance security (encryption and remote wipe) on an isolated partition of the iPhone memory. This enables IT organizations to secure and manage corporate data on personal iPhone devices.
- It is strong in Europe and in organizations deploying IBM Notes Domino and/or a hybrid client base, including Symbian and Windows Mobile. Sybase is developing a presence in China, through a partnership with ZTE in China.

Cautions

- Sybase iAnywhere lacks deals with mobile operators and handset manufacturers (except for a growing partnership with HTC). IT organizations must manage all carrier relationships and must face the challenges of building international contracts.
- Few organizations deploy iAnywhere Mobile Office alone; it is generally deployed alongside other elements of Sybase's Mobility Suite.
- The company has a confusing array of product extensions. It is overshadowed by RIM and Microsoft for e-mail/PIM functionality. Also, IBM's Notes Traveler initiative might represent a challenge long term.
- Competition is growing with Microsoft on enterprises running Exchange Server and Windows Mobile devices. Enterprises increasingly consider Microsoft's offering with native capabilities in the e-mail server and System Center Mobile Device Manager, where Windows Mobile devices are deployed.

RECOMMENDED READING

"Commoditization Drives the Enterprise Wireless E-Mail Market"

"Google Sync Makes a Step Toward Cloud Synchronization for Mobile Devices"

"Comparison of RIM and Microsoft Reveals That Value Depends on Needs"

"Q&A: Sources for Hosted Exchange/BlackBerry Service"

"Nokia Drops Enterprise Software, Intellisync Users Lose Out"

"Lotusphere 2009: Reassessing IBM Lotus Strategy, Issues and Opportunities"

"Notes Traveler Needs More Security for Use With Smartphones"

"IBM's Lotus Notes Traveler Misses Key Security Features"

"Microsoft's Mobile Device Management Solution Could Attain Long-Needed Focus"

Note 1

Magic Quadrant Methodology

Gartner uses a comprehensive methodology to build Magic Quadrants in relation to an established market. We select vendors to be included in the Magic Quadrant based on a list of criteria that determines the market or a relevant subset of it. Qualified vendors are invited to complete an extensive Web survey that collects information about the company, its product and services, and its market — looking at finances, marketing, sales, operations and technologies.

The survey's questions focus on vendors' completeness of vision and their ability to put their plans into practice (ability to execute). In addition to the survey, we base our assessment on extensive market knowledge, built up through continuous communication with vendors, handset manufacturers, mobile operators and many user organizations.

To decide where to place each vendor on the Magic Quadrant, we use a set of evaluation criteria. These criteria explore the most important aspects of the vendor's vision and execution. A combined rating is calculated for each vendor, using a proportional average of the ratings for each execution and vision criterion. The execution ratings indicate how well we think a vendor is doing today; the vision ratings indicate how well we think it might do in the future. These results are plotted on the Magic Quadrant to give a visual representation of each vendor's position (see "Magic Quadrants and MarketScopes: How Gartner Evaluates Vendors Within a Market").

Note 2 Not Included in This Magic Quadrant

Product Vendors

- **Apriva:** A small U.S.-based company, it sells a push e-mail solution called Sensa Secure Mobile Email for Windows Mobile devices. It didn't meet the qualification criteria for the size of reference deployments.
- **Consilient:** This is a Canadian company selling a push e-mail platform called Consilient Push, based on the P-IMAP standard. The company cooperated with RIM to provide support for GroupWise, until RIM released native support. The business focus shifted completely to a white-label offering for carriers.
- **Fenestrae:** Based in the Netherlands, active in mobile messaging and also sells a mobile e-mail product called Mobile Data Server, based on SyncML and browse technology. It supports a broad range of devices targeted primarily to service providers and carriers through a hosted model. As such, it does not belong to the market considered for this Magic Quadrant.
- **Funambol:** This is a U.S.-based company selling an open-source software platform for push e-mail and PIM — and synchronization — based on SyncML. It addresses enterprises and consumers through mobile operators and service providers (for example, the German service provider 1&1), but has not yet developed an enterprise offering.
- **LRW Digital:** Based in the U.S., this company is active mostly in the government sector with a push e-mail product called eXtensia, which focuses on security and high availability.
- **OpenHand:** Based in Iceland, this company sells a product called OpenHand Enterprise Server for Exchange, mostly in Europe and South Africa.
- **Oracle:** Oracle no longer offers the Oracle Mobile Push Mail solution, but, in 2008, it released Beehive Collaboration Software, which includes mobile access to its Collaboration Suite (including e-mail).
- **Seven:** A U.S.-based company, it has a relevant presence in Europe (due to the acquisition of Smartner Information Systems in 2005) and in some Asia/Pacific region markets. Seven sells a white-label product to service providers and mobile operators for consumers, and for the low-end enterprise market of professional consumers and small

businesses (for example, the Sprint PCS Business Connection service offered in the U.S.).

- Synchronica: This is a U.K.-based company that sells a push e-mail and synchronization middleware called Mobile Gateway to mobile operators. It focuses on industrial standards, supporting IMAP and Simple Mail Transfer Protocol, as well as IMAP Idle and OMA Email Notification for push e-mail, OMA Data Synchronization (SyncML) for the synchronization of calendars, contacts, notes and tasks. It provides OMA-DM-based, mobile-device-management capabilities. Synchronica also has an enterprise edition (but didn't qualify for this Magic Quadrant because the reference criteria were not fully satisfied).
- Other vendors: Many more companies claim to have wireless e-mail-related offerings, some on a purely regional basis, others as pure startups, but with limited or no relevance for enterprises. Examples include AxisMobile, Berggi, Critical Path, emoze, Everyone.net, Momail, O3SIS, Siemens, Sony Ericsson and Sproqit Technologies.

Value-Added Resellers

These vendors are not included in the Magic Quadrant, because their offerings are based on third-party products that already are included.

- Novell: It does not offer native support for wireless e-mail in GroupWise, nor does it have a stand-alone product. Its wireless e-mail strategy is based on two alternative third-party products: BES from RIM and GroupWise Mobile Server (Nokia's Intellisync platform embedded in GroupWise 7).
- Mirapoint: It does not offer native support for wireless e-mail, nor does it have a stand-alone product. Its strategy is to use third-party tools that enable the addressing of a large range of devices with push e-mail. Its partnerships include Consilient, Notify Technology, Good Technology (as an official RIM partner, it can support BlackBerry devices for IMAP4 servers only) and OpenHand.
- Messaging Architects: It has a software component (GroupWise Connector) that adds wireless e-mail capabilities to Novell GroupWise. Sybase includes this component in iAnywhere Mobile Office to support Novell GroupWise, and Messaging Architects sells a wireless e-mail product for GroupWise (GWAnywhere), which is based on Sybase's product.

Carriers

Many mobile operators have a mobile e-mail offering; in most cases, they have portfolios of solutions for different market segments. For example, Vodafone's portfolio includes BlackBerry, Microsoft Direct Push Technology and Vodafone push e-mail (based on Visto's platform). Similar offerings come from major carriers in Europe (for example, T-Mobile, TIM and Orange) and in the U.S. (for example, Cingular, Verizon and Sprint Nextel). Increasingly, mobile operators are offering unlimited data plans, particularly with Microsoft e-mail bundles, or pay-as-you-go contracts for BlackBerry bundles. Mobile operators see wireless e-mail as a high-potential area and are trying to expand their offerings with remote device management and security services. Mobile-operator-branded wireless e-mail offerings based on white-label products are not appropriate for midsize to large organizations, because they tend to lock users into the mobile operator's network and often lack suitable business-class support infrastructure. They are intended mainly for small businesses and professional consumers.

Vendors Added or Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or MarketScope may change over time. A vendor appearing in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. This may be a reflection of a change in the market and, therefore, changed evaluation criteria, or a change of focus by a vendor.

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor that compete in/serve the defined market. This includes current product/service capabilities, quality, feature sets, skills, etc., whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability (Business Unit, Financial, Strategy, Organization): Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood of the individual business unit to continue investing in the product, to continue offering the product and to advance the state of the art within the organization's portfolio of products.

Sales Execution/Pricing: The vendor's capabilities in all pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, pre-sales support and the overall effectiveness of the sales channel.

Market Responsiveness and Track Record: Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

Marketing Execution: The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message in order to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional, thought leadership, word-of-mouth and sales activities.

Customer Experience: Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements, etc.

Operations: The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

Completeness of Vision

Market Understanding: Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen

and understand buyers' wants and needs, and can shape or enhance those with their added vision.

Marketing Strategy: A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the Web site, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling product that uses the appropriate network of direct and indirect sales, marketing, service and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

Offering (Product) Strategy: The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature set as they map to current and future requirements.

Business Model: The soundness and logic of the vendor's underlying business proposition.

Vertical/Industry Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including verticals.

Innovation: Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

Geographic Strategy: The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

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