Management Update: Gartner’s Messaging Server Magic Quadrant for 2002

The enterprise and Internet mail markets for e-mail are converging. Economical options exist for enterprises seeking e-mail systems and services with higher reliability and scalability. The Gartner Messaging Server Magic Quadrant helps enterprises with vendor selections.

The enterprise and Internet mail markets for e-mail are converging. Products sold to create e-mail systems and services are increasingly focused on reliability and scalability. Economical options exist for enterprises seeking higher reliability and scalability than can be provided by vendors traditionally targeting enterprise use. Microsoft and IBM/Lotus are no longer the only vendors offering rich e-mail products. Challengers, Visionaries and even the Niche Players have much to offer.

Market Convergence

E-mail has become ubiquitous in the enterprise and is widely used in the consumer environment. The market for e-mail products continues to evolve and is about to go through another major transition — merging the enterprise and Internet mail markets.

Enterprises are looking for less-expensive seats, and service providers are looking to increase their revenue by offering additional services. Those two pressures are moving the enterprise and Internet mail markets together into a single messaging server market. The two markets have been converging. A single, e-mail market worldwide now exists, serving enterprises, extended enterprises, extranets and service providers with standards-based messaging, decoupled from other collaboration support functions, which need no longer complicate the choice of an e-mail product.

Team collaboration support products may be added, where needed, as components assembled according to the buyer’s requirements, and presented as integrated to the user, often through a Web browser interface or a wireless device menu. The Gartner 2002 Messaging Server Magic Quadrant represents the emergence of this new market (see Figure 1).
The Magic Quadrant Leaders

The Leaders represent the new and the old order of things.

**Sun Microsystems**' Sun ONE Messaging Server and Suite has emerged from a complicated gestation — Netscape, iPlanet, the original Sun Internet Mail Server (SIMS) — and the acquisition of Innosoft. Sun is a leader in the merged e-mail market, the combination of the enterprise e-mail market segment and the Internet mail market segment. With more than 150 million installed seats, Sun is gaining ground in the enterprise segment.

**Microsoft** and **IBM/Lotus** remain the dominant players in the traditional enterprise market segment, but are struggling to move beyond that segment. Both are suffering from traditional product structures and cost profiles, but both have recognized the importance of the new market for messaging and the need to scale more effectively.

While **Lotus** has, since 1998, offered a version of Domino with mail and calendar functionality split off from the broader Domino platform, it suffers from the perception of Domino as a legacy product. IBM has also entered into partnerships with Sendmail and technology provider Bynari, reflecting its
pragmatic intent to do whatever it takes to move beyond the information workers into the rest of the enterprise.

**Microsoft** has recognized that its ambitions for Exchange as a comprehensive platform for collaboration are a hindrance, rather than a strength. It has moved the focus of other features to SharePoint and indicated that the next version of Exchange will focus on messaging. (As one example, document sharing moves to SharePoint and away from Public Folders.) Migration to Exchange 2000 remains very slow, and Exchange has not proved competitive in a service provider environment.

Microsoft and IBM are under greater pressure in this market than they have been for many years. Enterprises that operate under old assumptions may find themselves lagging the innovators.

**The Challengers**

**Sendmail** is the leading Challenger with its Mailcenter. Sendmail has long been a leader in high-performance academic environments and recently increased its focus on enterprise sales, including a partnership with IBM. Most Fortune 1000 enterprises use Sendmail alongside other messaging servers, adding routing, boundary-defense and high-volume posting capabilities for e-mail marketing.

**Rockliffe, Stalker** and **Mirapoint**, although relative newcomers, are challenging the leaders in the service provider space, and even in the enterprise space. **Rockliffe** has a narrow focus on e-mail price/performance and reliability, and supports full clustering in Windows environments. Hewlett-Packard (HP) chose Rockliffe’s MailSite product to run on the Non-Stop platform (formerly Tandem Non-Stop).

**Stalker’s** Communigate Pro began on the Macintosh but now runs on more operating systems than any other product, offering excellent price/performance and agility and full clustering. Its installed base of 26 million active users is relatively small, but it is gaining momentum.

**Mirapoint** sells a prepackaged product on a “hardened” operating system, making it less vulnerable to attack and tuning it for e-mail performance. Its aim is to make the implementation and management of e-mail as easy as a home fax machine at the low end, while allowing broad external storage area network (SAN) storage options at the high end.

**The Visionaries**

**Critical Path’s** CP Messaging Server (formerly Isocor’s N-Plex) has a very large installed base (145 million). The company suffered from serious management problems in 2001, but has rebuilt the management team and is recovering. It retains a strong vision for standards-based messaging and collaboration.

**Samsung** has inherited HP’s OpenMail product and is seeking to leverage this with a unified communications offering. It has worldwide presence, strong sales and support organizations, and prominence in the wireless device market.

**Novell** is the other traditional player alongside Lotus and Microsoft. Its GroupWise product had, by far, the weakest position, but Novell has attempted to reposition itself with its new NetMail product. In combination with eDirectory, NetMail is a credible offering for the merged e-mail market. Novell’s recent small business appliance, including NetMail, is also an attractive proposition for Novell’s base of smaller enterprises.
The Niche Players

The Niche Players vary greatly. The largest are OpenWave and Oracle.

OpenWave, while having one of the largest bases of users (193 million), has chosen to restrict itself to the service provider market segment and focus on integration with its wireless products.

Oracle has previously dabbled in the messaging market but recently formed a business unit focused on its Collaboration Suite, including Oracle9i Messaging Server. This approach appears serious, initially targeting large buyers (more than 5,000 seats) that already own Oracle database. It could quickly become a challenger.

Other messaging vendors in the Niche Players Quadrant focus on segments limited by channel, geography or platform, or are simply too new to have gained wide recognition. However, if their focus aligns with a particular enterprise’s needs, they may provide an attractive alternative to market leaders. We have also included the category of voicemail vendors.

They are not currently significant players in the e-mail messaging market, but as unified messaging becomes more of a reality, vendors such as Mitel Networks, Nortel Networks and Lucent Technologies could become relevant by themselves, embedding other messaging products in their offers or becoming substantial components within the products of leading e-mail messaging vendors.

Another Major Transition Ahead

This world order is on the brink of another major transition. The category of electronic workplace framework products — with its bundling of groupware functionality — is no longer relevant to the market. Pieces are peeling off. Directories have been detached and migrated to become part of the network infrastructure level. Team collaboration support products have also spun off as a more-flexible framework, better suited to working on the Web.

E-mail can now re-emerge as an independent product category. It continues to bring calendaring as its partner, not for any reasons of technical interdependence but simply because one without the other is of no value in most enterprises.

Beyond the machinations of product architects, there is another clear driver of this change. Most of the growth in e-mail is in three fast-growing areas:

- Serving the rest of the enterprise
- Building the extranet
- Selling to service providers

Enterprises are increasingly unwilling to accept the total cost of ownership (TCO) profile associated with traditional products for what has become a commodity service.

Enterprises are looking to implement messaging not only for traditional, office-bound knowledge workers, but also for the wider workforce. People whose primary jobs are dominated not by information management and manipulation, but, rather, by manufacturing or other production tasks, increasingly need to be connected to the digital information flows within the rest of the enterprise.

The extranet is the band of services around the outside of the enterprise, supporting collaboration with business partners, agents, dealers and suppliers. These people are not full-time employees of
the enterprise, but they are critically important to its success. Five or 10 years ago, the enterprise might have shipped them a terminal and given them an account and password on the internal system. Today, it is possible to serve these people externally, leveraging the fact that in nearly all cases they have an e-mail account somewhere, plus a browser and Internet connection.

Service providers need to buy products that give them excellent price/performance characteristics — very-high uptime, high scalability and low cost of installation, configuration and management. If the service provider can only get $9.95 per month for its service, then the cost of providing that mailbox and staffing the operation needs to be as low as possible.

The “Internet Mail” Market

Although the conventional enterprise market is static or declining, the market for these “unconventional” uses and users is nearly doubling each year. Products for small businesses, service providers and corporate extranets have been growing in scalability and reliability, competing on price/performance. By keeping the messaging server components focused on standards-based functionality, these products are generally simpler to install and operate than their electronic workplace counterparts.

Companion technologies, such as calendars, are often available from the same vendor, with integration on the desktop. Popular client interfaces, such as Outlook, Eudora and Netscape, are fully supported. Webmail and wireless support are provided in the base product or with a companion component. Note that we are not talking about e-mail sold as an outsourced service competing with e-mail run internally. We are talking about the vendor that historically sold to the Internet service providers (ISPs) now selling its product for internal enterprise use. In 1999, the primary market for Internet mail was ISPs. In 2002, these vendors have been selling both to service providers and to enterprises, providing lower-cost seats for the extended workforce and the extranet and positioning themselves as an alternative, even for the information workers.

Bottom Line

- Although Microsoft and IBM remain leaders in the messaging market, they are coming under serious pressure for the first time in some years.

- Sun joins Microsoft and IBM in the Leaders Quadrant, based on its success with enterprise portals and service providers.

- Other strong alternatives are waiting in the wings, with strengths based on a broad infrastructure capability (for example, Oracle and Samsung) or a tight focus on best-of-class messaging (for example, Sendmail and Critical Path).

- The old view of electronic workplace frameworks and groupware is no longer relevant.

- Traditional bundled products are limited to expansion in established accounts.

- The growth, worldwide, is in the new messaging server market and the team collaboration support market.

- Those products, built around Internet standards, assume that people need to communicate and collaborate globally, whether they are consumers or work for small businesses, international corporations or government agencies.
Enterprises needing better price/performance and reliability in their messaging and greater flexibility in team support should consider products that focus on those principles.

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For related Inside Gartner articles, see:

- “Management Update: Smart Enterprises Will Exploit E-Mail as a Utility,” 10 July 2002