

# Why does Email Matter?

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## The Business Context for Exchange 2003 Migration

*Previously content with a simple messaging service, business managers and users are increasingly asking questions about the functionality of the email system that supports them. Questions like “How can email be better integrated with our CRM system?” and “How can I best get access to email when out and about?” are being heard more frequently. At the same time, those in “The Business” are becoming even less tolerant of downtime and performance issues. Against this background, this short report considers the reasons behind the evolution of user demand and their relevance to email related investment decisions, particularly the migration to Microsoft Exchange 2003.*

### MAIN POINTS

- **Email has become a fundamental part of some key business processes**

Most of us probably knew this already in an abstract sense, but the importance of email to key business processes was brought into sharp focus by a recent survey of 1826 IT and business professionals. Two thirds of respondents, including 1102 SMBs, told us that email was critical to the sales process, with a further quarter saying it was important. Indeed, feedback from business managers suggests that around 25% of all sales transactions on average are executed over email. The picture is similar for the customer service process where again, over 90% rated email as critical or important.

- **Email criticality is reflected in the business impact of downtime**

Over a quarter of respondents said the sales side of their business would be significantly impacted within an hour if email went down, whilst a day's downtime would have a significant negative impact on over three quarters of organisations. And things are no different with regard to customer service where the majority, for example, could not tolerate half a day's email downtime without customer satisfaction being impacted significantly.

- **Email criticality is further corroborated by IT support prioritisation practices**

In case there was any remaining doubt over the importance of email, it is interesting to note that 70% of organisations expect IT to respond within 10 minutes when an email availability problem occurs. In fact, 42% said an email down situation was considered top priority, requiring an immediate response by the IT department.

- **The role of email as a business process enabler is highlighted by migration drivers**

When we look at the benefits organisations are looking for when migrating to a more up-to-date email platform, all types of respondent in our survey highlighted improved robustness and performance as being important. Business managers in particular, put the same level of emphasis on better integration of email systems with other important applications, improved support for mobile working and more general enhancements in end user functionality. Fortunately, such aspirations are not without foundation as business managers from the Exchange 2003 user community confirmed that such benefits were real.

- **But the prospect of migration brings some real challenges with it**

Apart from the obvious issue of maintaining service levels during the migration process, lack of time to perform the migration and challenges keeping costs under control were also flagged up as potential issues by respondents. Use of third parties, particularly those offering package migration services, represents a possible way of tackling the issues of time and cost control. The generally positive experiences amongst respondents who have used the professional services approach in the past confirm this as a viable and potentially attractive option.

#### RESEARCH NOTE:

This report is derived from a June 2005 study of 1,826 online respondents, 1,102 of which were from Small and Medium Businesses (SMBs) – that is, companies of less than 250 employees.



An independent study for Dell  
 conducted by Quocirca Ltd  
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# 1. Introduction

It goes without saying perhaps that email is an important communication tool. As a technology, email has been around for decades but it is only in the last five years or so that generic email (transmitted over the Internet) has been considered a suitable replacement for proprietary email systems. Despite a number of hurdles remaining for email, not least the reliability of email transport, the security of email data and the legality of the resulting communications, email today is seen as a necessary tool by a significant proportion of business and technical end users.

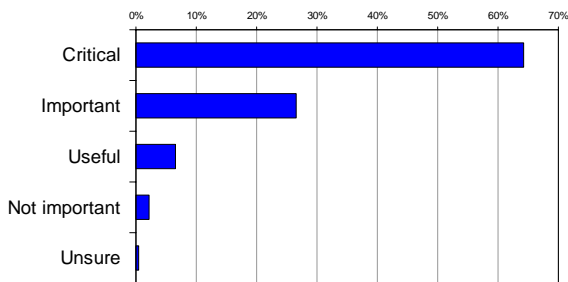
Email as a generic service for communications between individuals is well established, but just how much does business now depend on its availability? This study asked 1,826 business and IT professionals to what degree some critical areas of the business depended on email, and what would be the impact to their organisations if it was not available.

This report is aimed primarily at organisations considering migration to Microsoft Exchange 2003, though much of the content is likely to be of relevance to anyone considering an email related investment, whether using a Microsoft or any other email platform or service.

# 2. Email as a Business Enabler

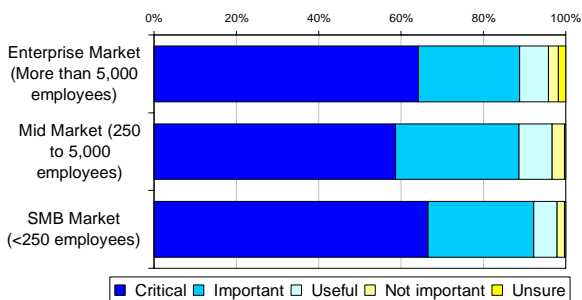
If asked whether email is important, the majority of users will respond in the positive<sup>1</sup>. It is similarly unsurprising that email is seen as highly important in relation to business activities, such as sales and customer relationship management (Figure 1).

**Figure 1**  
How important is e-mail in communicating with your customers and prospects?



Small and Medium Enterprises (SMBs) are no different to larger organisations in this respect (Figure 2).

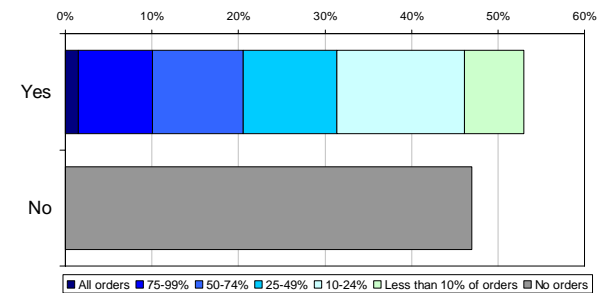
**Figure 2**  
How important is e-mail in communicating with your customers and prospects?



Interestingly, the 65% criticality level is up by approximately 10% compared to a similar Quocirca study<sup>2</sup> conducted twelve months ago, confirming that the importance of email is increasing steadily.

If this is the case, how does it translate into tangible value, that is, sales? When we look at this explicitly, we find it is common for email to be used as a vehicle for sales transactions. The use of email for order capture within large organisations would probably be no surprise, but the fact that over half of SMBs also trade in this way really does underline the pervasiveness of email as a transaction mechanism (Figure 3).

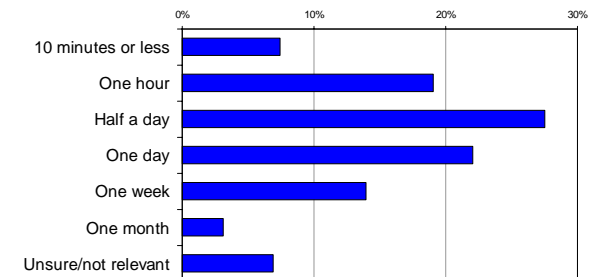
**Figure 3**  
Does your company actually take orders by e-mail? Based on 1102 SMB Respondents (<250 employees)



Indeed if anything, the picture we see here, which is based on both IT and business respondents, is an underestimate. If we home in on SMB business respondents in particular, 66% of them say email is used to receive orders, though the sample size (approx 75 respondents) was too small for us to plot confidently. When we take all of the evidence into account, however, indications are that over a quarter of all sales transactions take place over email – a remarkable figure.

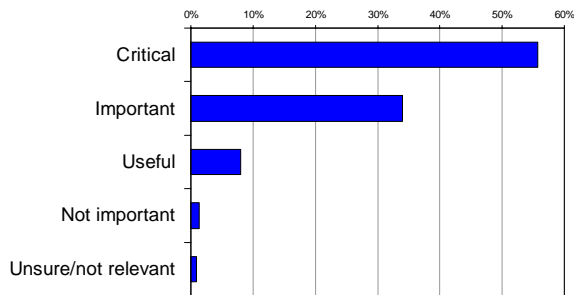
It would not take long therefore, for an email failure to significantly impact the sales side of most businesses. 54% of respondents would find it difficult to tolerate more than half a day's downtime and three quarters of businesses would be suffering within a day (Figure 4).

**Figure 4**  
If your e-mail systems went down, how long would it be before the sales side of your business was significantly impacted?

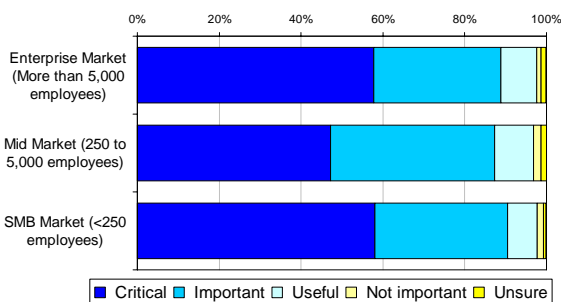


We get a similar set of findings for the customer service side of the business – product/service support, delivery enquiries, and so on (Figure 5), and as with sales, email for customer service is of equal or greater importance for SMBs than for larger companies (Figure 6).

**Figure 5**  
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**How important is e-mail to customer relationship management and customer service?**

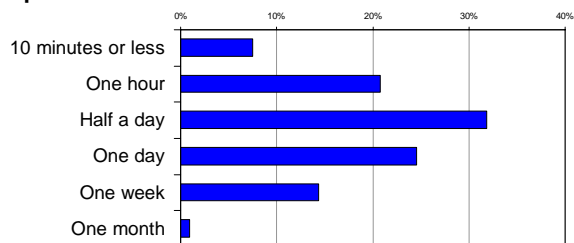


**Figure 6**  
 Copyright 2005 Quocirca Ltd  
**How important is e-mail to customer relationship management and customer service?**



Consistent with this, over a quarter of organisations say customer satisfaction would be significantly impacted from just an hour's email downtime. A day's downtime would significantly impact customer satisfaction in 85% of all organisations (Figure 7).

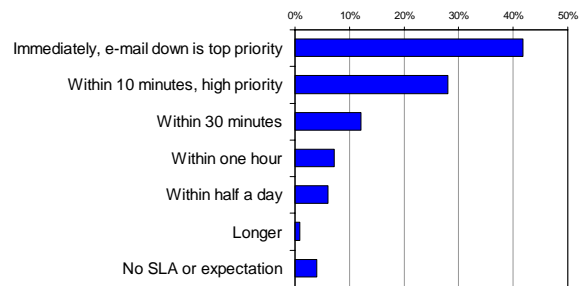
**Figure 7**  
 Copyright 2005 Quocirca Ltd  
**If your e-mail systems went down, how long would it be before customer satisfaction was significantly impacted?**



### 3. Support Priority

Quite clearly, email has become more than a facility for interpersonal communications. Businesses are depending on email for revenue, and customers expect to be able to contact their suppliers through email. This is underlined by support expectations. In the majority of cases, the IT department is expected to respond to an email availability problem within 10 minutes of a fault being identified (Figure 8).

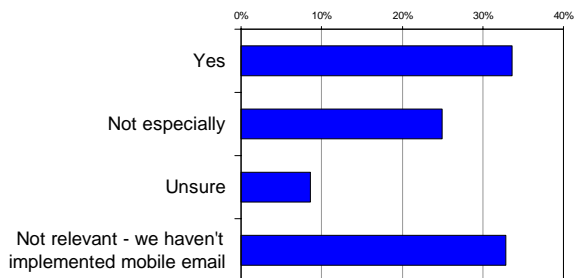
**Figure 8**  
 Copyright 2005 Quocirca Ltd  
**When problems with e-mail availability occur, how quickly is the IT department expected to respond?**



### 4. Impact of Mobility

A trend that has impacted email usage significantly is the proliferation of mobile devices such as wireless PDAs, Smartphones and BlackBerries<sup>3</sup>. As part of this, we are seeing an increasing reliance of senior managers and other professionals on handheld email devices. As well as representing another important application of email, this means that executives are now far more aware of email availability (Figure 9).

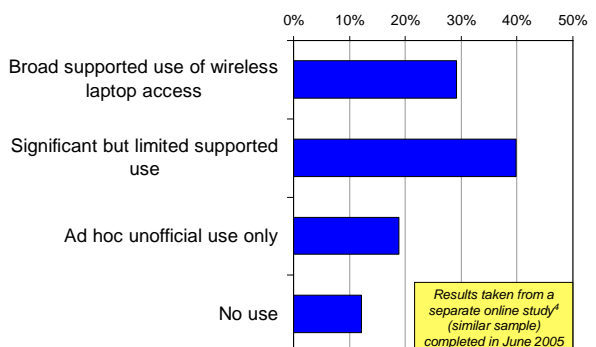
**Figure 9**  
 Copyright 2005 Quocirca Ltd  
**Does mobile email on handheld devices make senior business managers more aware of and sensitive to email downtime?**



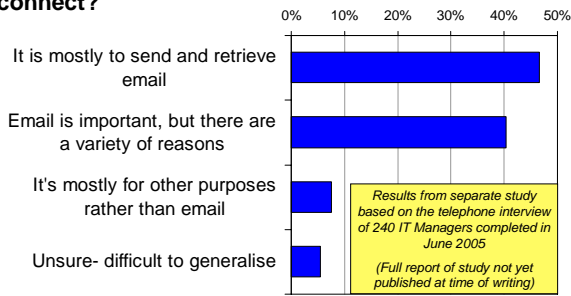
Even without all of the other email related pressures, this simple development alone can mean that the service level associated with email is likely to become one of the main determinants of senior manager perceptions of how well the IT department is performing.

Picking up on the mobility angle, the increasing trend towards the use of wireless on laptop PCs is likely to continue to drive the need for "wireless friendliness" of email platforms (Figures 10 and 11).

**Figure 10**  
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**Degree of wireless access by laptop users**



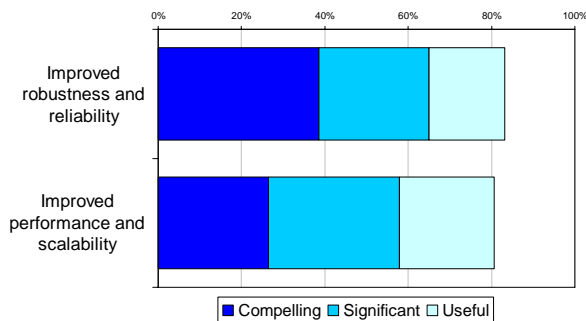
**Figure 11**  
**On a general basis, looking across all of your laptop users, what is the main reason for them wanting to connect?**



## 5. Rationale for Migration

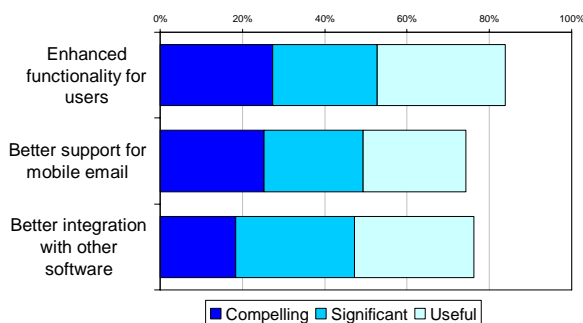
Given the importance of email, many companies are upgrading to more recent versions of their email server software and it is interesting to look at some of the benefits people perceive to be related to this. When we look at Microsoft Exchange Server 2003, for example, it is encouraging to see that service level improvements are highlighted by those who have migrated to this release (Figure 12).

**Figure 12**  
**Service level benefits of moving to Exchange 2003**  
*Based on responses from 613 Exchange 2003 Users*



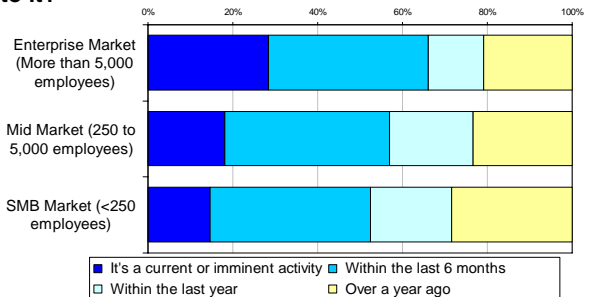
As implied by the prominent role of email in sales and service activities, it is also important to think beyond the basic messaging service and to consider email as a business enabler. Management level respondents in particular highlight the end user functionality related benefits (Figure 13).

**Figure 13**  
**Functionality benefits of moving to Exchange 2003**  
*IT/Business Manager view from 241 Exchange 2003 Users*



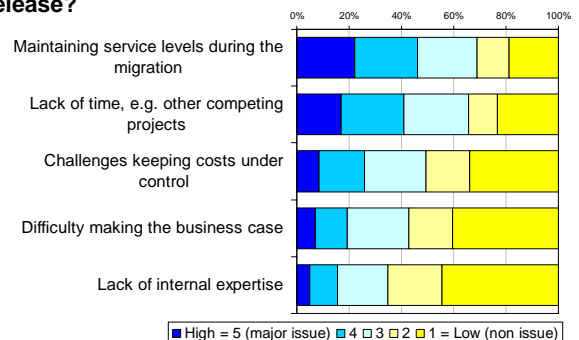
In terms of actual migration activity, the majority of companies are somewhere along the path of upgrading. However, SMBs appear to be falling behind their larger counterparts (Figure 14).

**Figure 14**  
**When did you implement your email server environment or last apply a major version upgrade to it?**



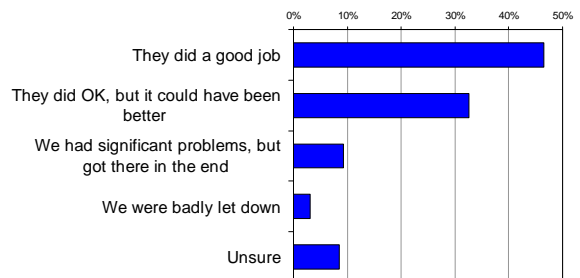
For small companies as well as large, this may be put down to the risks and uncertainties associated with the migration process, e.g. the need to maintain a consistent level of email service and other constraints, such as lack of time and concerns about keeping costs under control (Figure 15).

**Figure 15**  
**What specifically would you regard as the key challenges associated with migrating to the latest release?**



Professional services can obviously help with these challenges and people have generally been happy when they have used a third party to implement (Figure 16).

**Figure 16**  
**If you used a third party to implement your email systems or the last major upgrade, how satisfied were you? (292 respondents)**



Although not right for everyone, this is an option worth considering if time and resource are constraining progress.

## 6. Conclusion

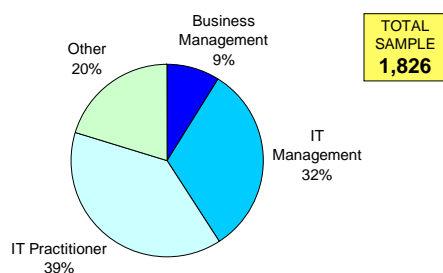
Email is something we all take for granted so we rarely stand back and consider the precise nature of its role within organisations. The research presented in this report, however, conclusively demonstrates that email has moved beyond messaging convenience and is now fundamental to the support and enablement of key business processes. As a result, user requirements have evolved with an increasing emphasis being placed on the functionality delivered by email platforms in addition to the basics of availability and performance.

This evolution of requirements has driven interest in the latest releases of popular email platforms, with the market leader, Microsoft Exchange, being an example of this. But the evidence suggests that some organisations are finding it difficult to allocate the time and resource to migration activity and are uncertain about whether they can control costs and maintain service levels along the way. Use of third parties, particularly those offering package migration services, represents a possible way of tackling the issues of time and cost control. The generally positive experiences amongst respondents who have used the professional services approach in the past confirm this as a viable and potentially attractive option.

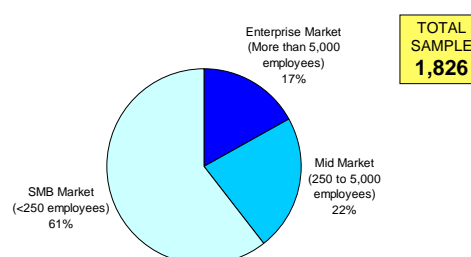
## 7. Sample Distribution

The primary research data presented in this report is from 1,826 responses, derived from an online survey executed in June 2005. The questionnaire used in this study was designed by Quocirca Ltd. The Quocirca primary research team also analysed and interpreted the results and all work was conducted on a completely independent basis. The respondents were broken down by job function, organisation size, geography and sector as follows:

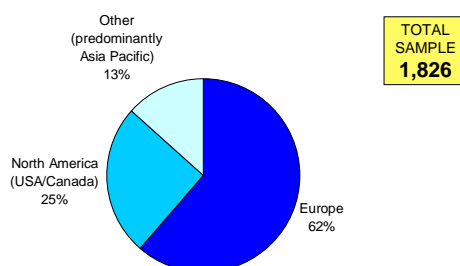
**Figure 17** Copyright 2005 Quocirca Ltd  
**SAMPLE BY JOB FUNCTION**



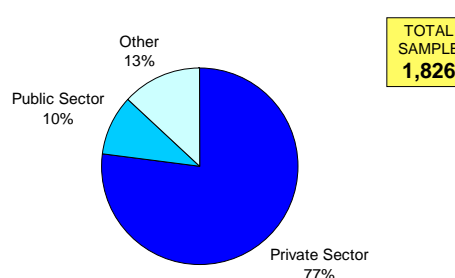
**Figure 18** Copyright 2005 Quocirca Ltd  
**SAMPLE BY ORGANISATION SIZE**



**Figure 19** Copyright 2005 Quocirca Ltd  
**SAMPLE BY GEOGRAPHY**



**Figure 20** Copyright 2005 Quocirca Ltd  
**SAMPLE BY ORGANISATION TYPE**



## 8. Acknowledgements

This kind of research is crucial to all of us in the business and ITC community - suppliers and customer organisations alike. We would therefore like to thank all of those participants who contributed so generously towards a better understanding of issues in this important area.

## 9. References

Ref	Title	Published by	Date	Available from
1	Communication and Collaboration	Quocirca / The Register	June 2005	www.theregister.com
2	Email – Business or Pleasure?	Quocirca	June 2004	www.quocirca.com
3	Mobile Email Momentum	Quocirca / O2	May 2005	www.quocirca.com
4	Mobile Devices and Users	Quocirca / Orange	June 2005	www.quocirca.com

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- Enterprise Applications and Integration
- Communications, Collaboration and Mobility
- Infrastructure and IT Systems Management
- Utility Computing and Delivery of IT as a Service
- IT Delivery Channels and Practices
- IT Investment Activity, Behaviour and Planning

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The logo for Quocirca, featuring the word "quocirca" in a lowercase, sans-serif font. The letters "qu" are in blue, "o" is in red, "c" is in blue, "i" is in red, "r" is in blue, and "ca" is in red.