1st Annual Benchmark Report for Google Apps

April 2012
The Cloud Alliance for Google Apps

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FOR GOOGLE APPS

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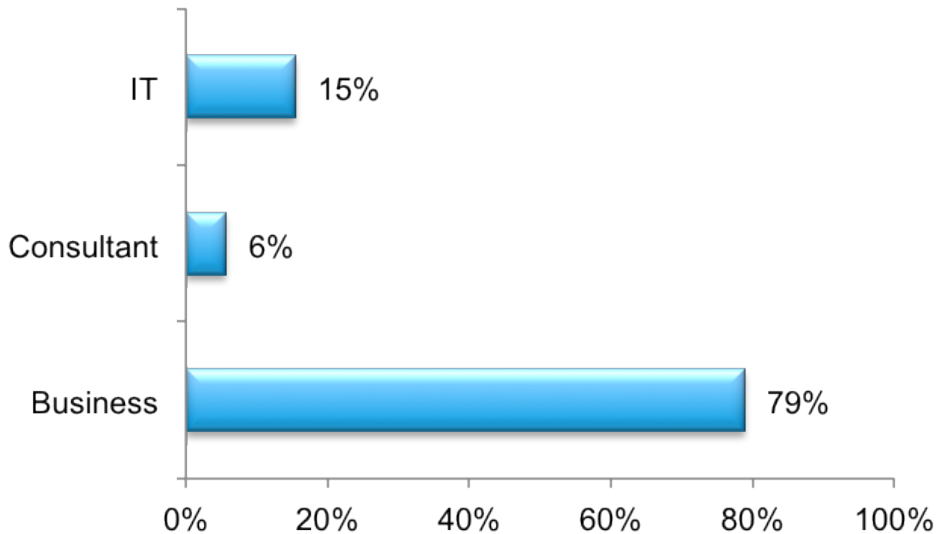FOR GOOGLE APPS

Methodology

- Objective
  - To understand the general trends around the use of Google Apps and the Google Apps Marketplace
- Parameters
  - This data was collected via Email surveys sent to 50,000 Google Apps administrators and users between February 22 - March 15, 2012
- Analysis
  - This data was analyzed by Cloud Alliance and Focus Research

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Executive Summary

- Early adopters of Google Apps are technical companies who are already familiar with and trust the Google brand

- Price is not the driving factor everyone believes it to be

- Collaboration beats out price as a motivator for using Google Apps

- Google Apps users tend to trial multiple Marketplace Apps then settle on a few

- Users need more functionality and integration than many Marketplace Apps currently allow

Most Respondents are Senior Business Decision Makers
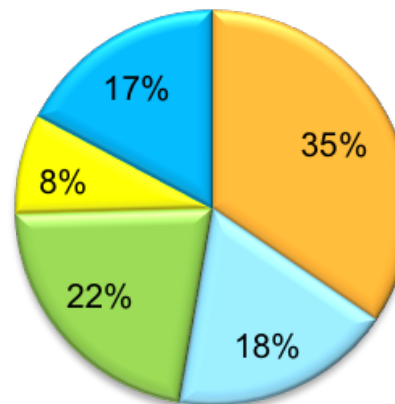
What best describes your professional role?

Role	Percentage
IT	15%
Consultant	6%
Business	79%
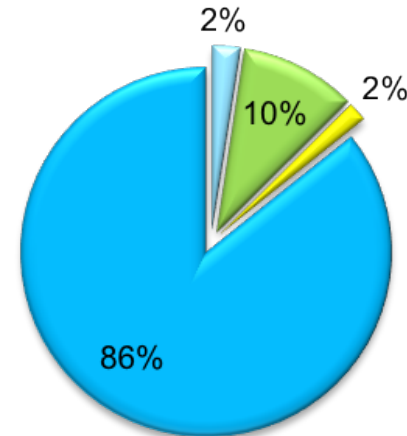
Business Role

- Associate — 2%
- Manager/Supervisor — 10%
- VP — 2%
- C-level — 86%

IT Role

- Director — 35%
- Engineer/ Developer/ Architect — 18%
- IT Administrator/ Helpdesk — 22%
- VP — 8%
- C-level — 17%

- 96% of all respondents are Google Apps administrators

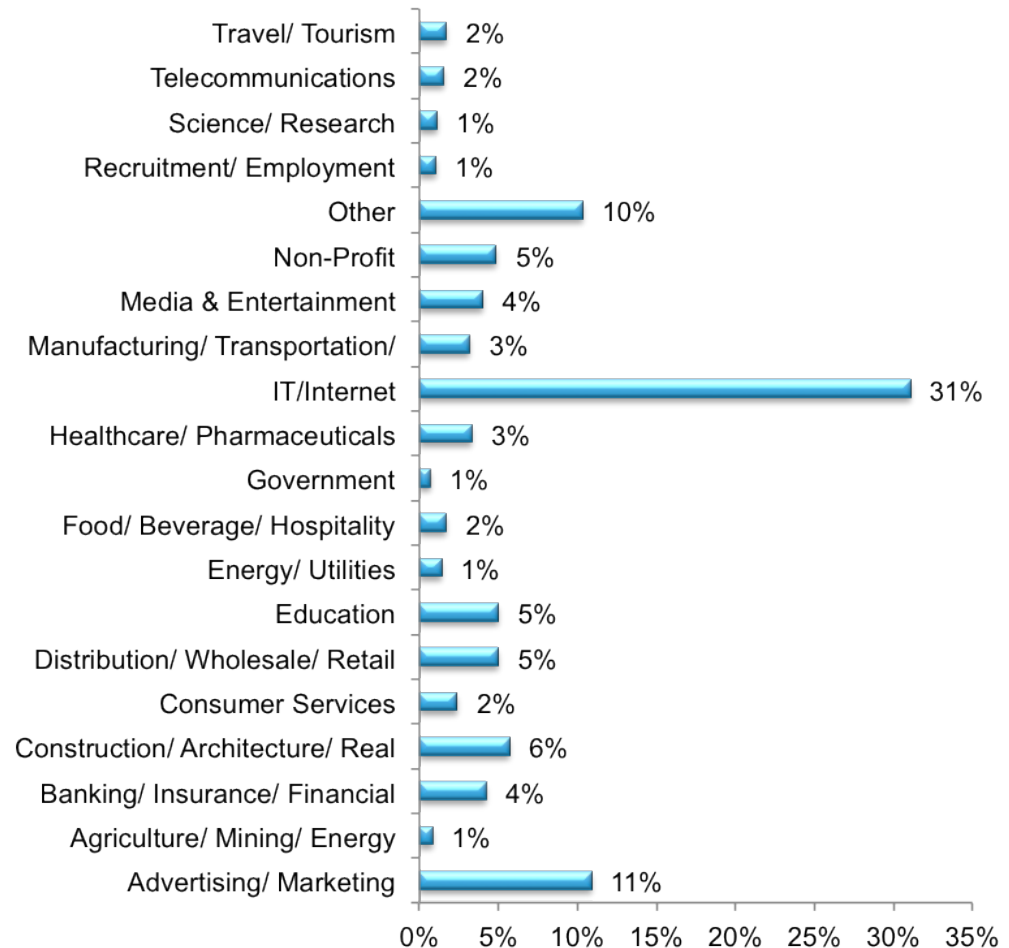- IT respondents tend to be less senior than those in business roles

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Respondents are Small Businesses and Technology Companies

Employees

- 1-10
- 11-50
- 51-500
- 500+

3%
7%
21%
69%

Indicate your organization's primary industry classification:

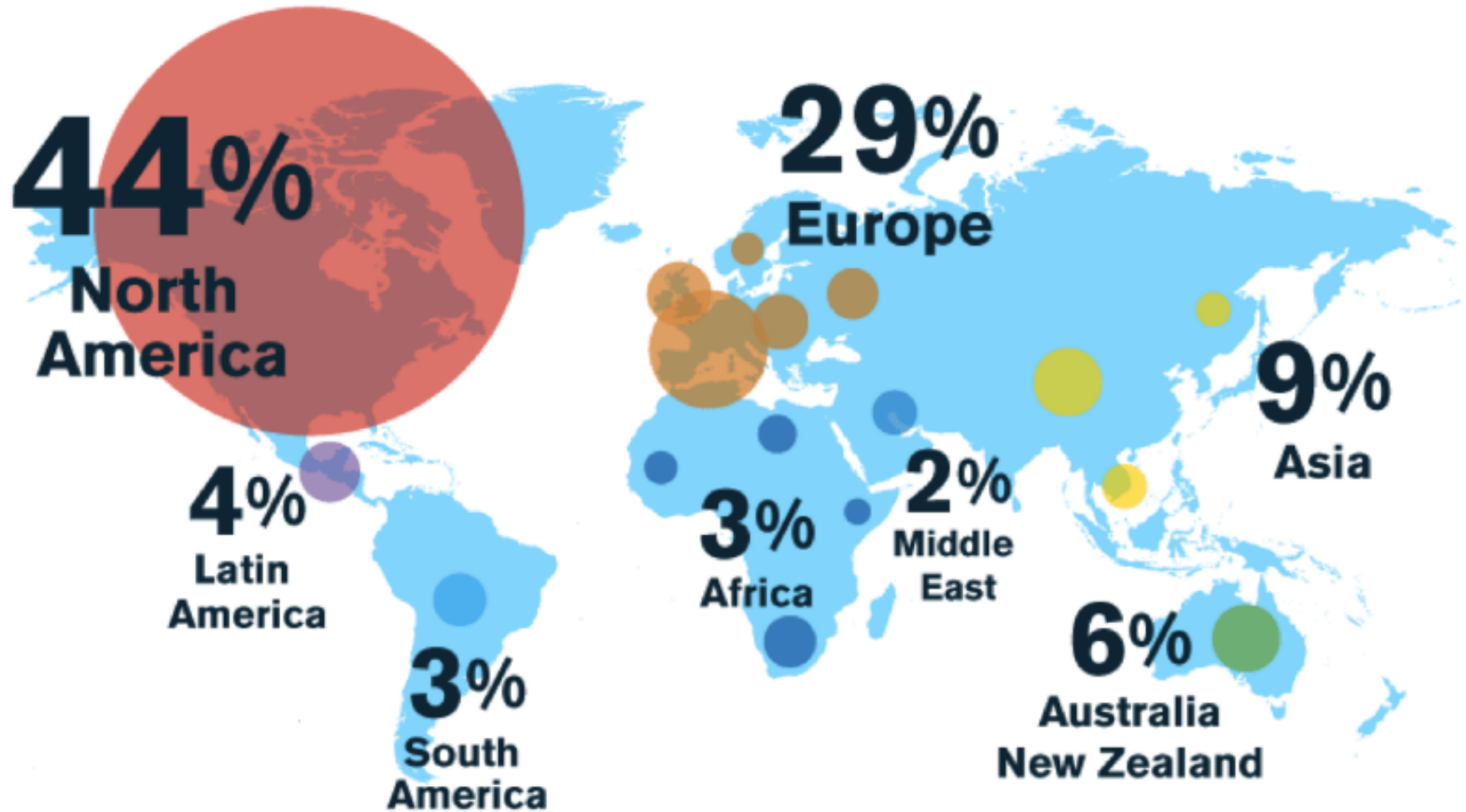| Industry	%
Travel/ Tourism	2%
Telecommunications	2%
Science/ Research	1%
Recruitment/ Employment	1%
Other	10%
Non-Profit	5%
Media & Entertainment	4%
Manufacturing/ Transportation/	3%
IT/Internet	31%
Healthcare/ Pharmaceuticals	3%
Government	1%
Food/ Beverage/ Hospitality	2%
Energy/ Utilities	1%
Education	5%
Distribution/ Wholesale/ Retail	5%
Consumer Services	2%
Construction/ Architecture/ Real	6%
Banking/ Insurance/ Financial	4%
Agriculture/ Mining/ Energy	1%
Advertising/ Marketing	11%

- Smaller companies have less red tape, allowing them to test and adopt new technology more easily

- Tech users are more likely to trust new technology and be early adopters

- There is an opportunity to attract a broader audience by making the marketplace more approachable and accessible

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Respondents are Mostly from North America

44% North America

29% Europe

9% Asia

4% Latin America

3% South America

3% Africa

2% Middle East

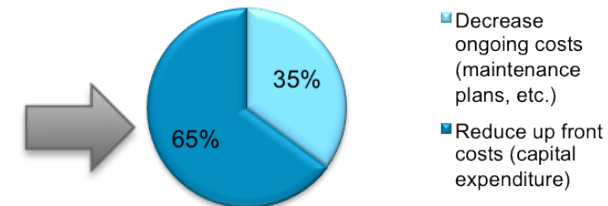**6%** Australia New Zealand

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Productivity is a Greater Motivator than Explicit Cost Savings

What was your MOST IMPORTANT business need that resulted in your implementing Google Apps?

- I was not involved in the decision making process — 2%
- Productivity/Collaboration — 30%
- Need for mobile access — 11%
- Increase infrastructure scalability — 3%
- Increase infrastructure flexibility — 11%
- Improve UI — 2%
- Improve security — 1%
- Enhance features and functionality over on-premise — 10%
- Cost savings — 19%
- Cloud-based storage, backup and recovery options — 12%

89% satisfaction rate
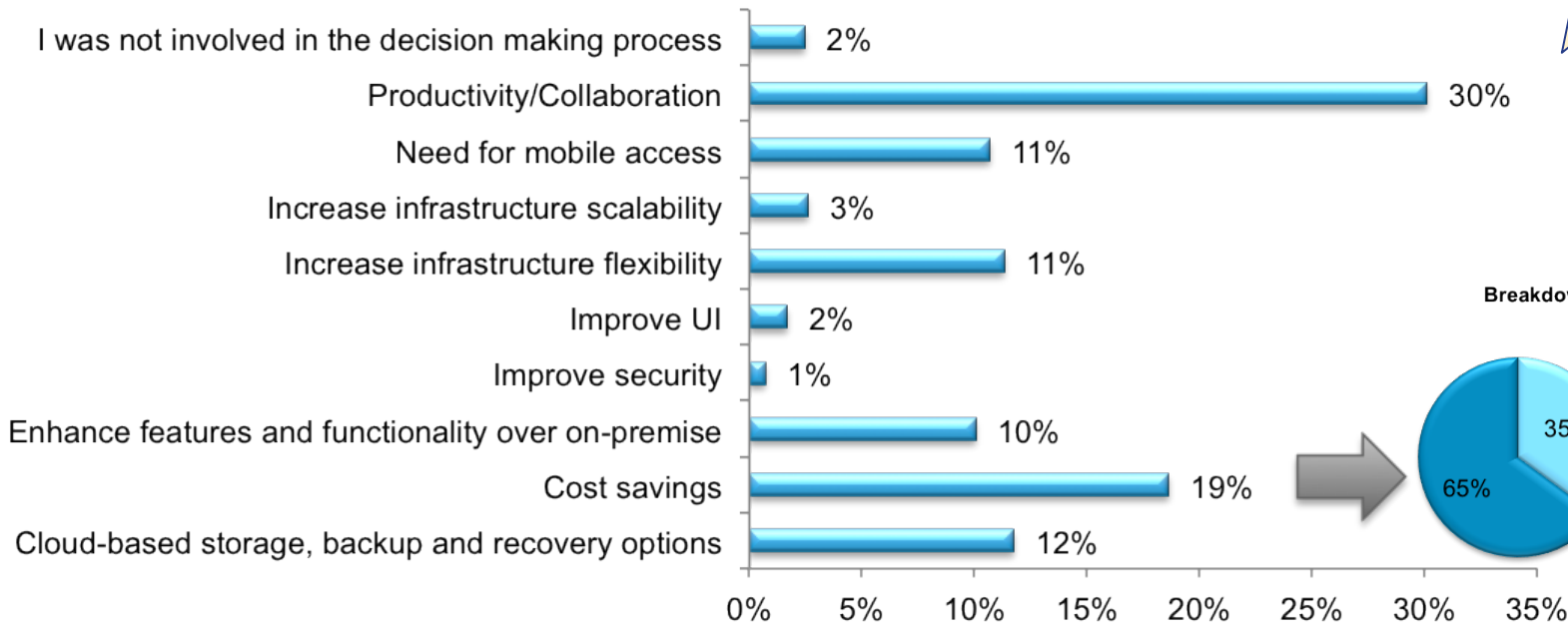
Breakdown of Cost Savings
- 35% — Decrease ongoing costs (maintenance plans, etc.)
- 65% — Reduce up front costs (capital expenditure)

- 89% of all respondents said their Google Apps implementation met their needs

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Respondents are Looking to Their Peers to Make Enterprise Technology Decisions

Which part of the product listing was most helpful when making a purchasing decision from the Google Apps Marketplace?

| Category	Value
Reviews/Ratings	37%
Product description	21%
Price	18%
Integration with Google Apps	25%
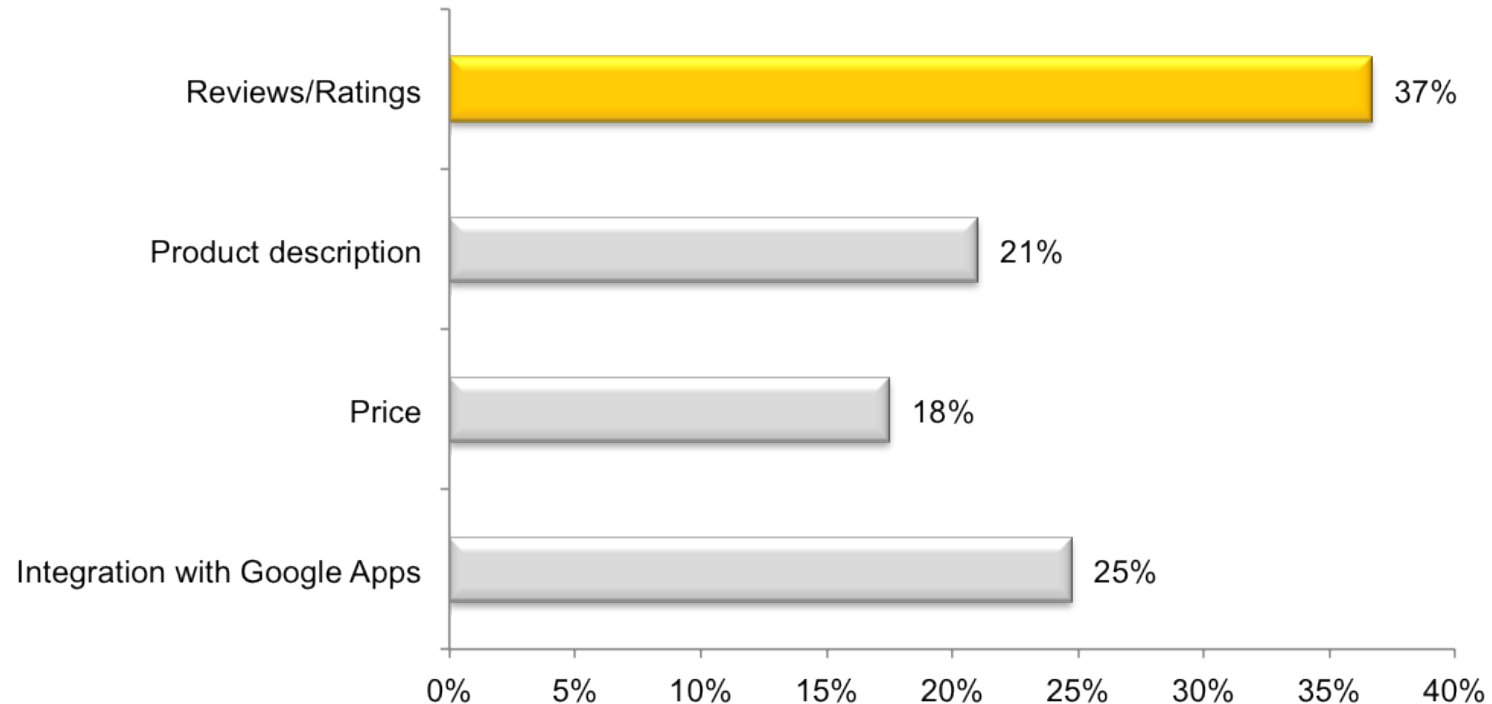
- Similar to a consumer transaction, reviews and ratings are most helpful

- Respondents consistently refer back to integration being important

Small Businesses Trust Google, but Concerns Differ for Larger Businesses

What was your biggest concern prior to implementing Google Apps?
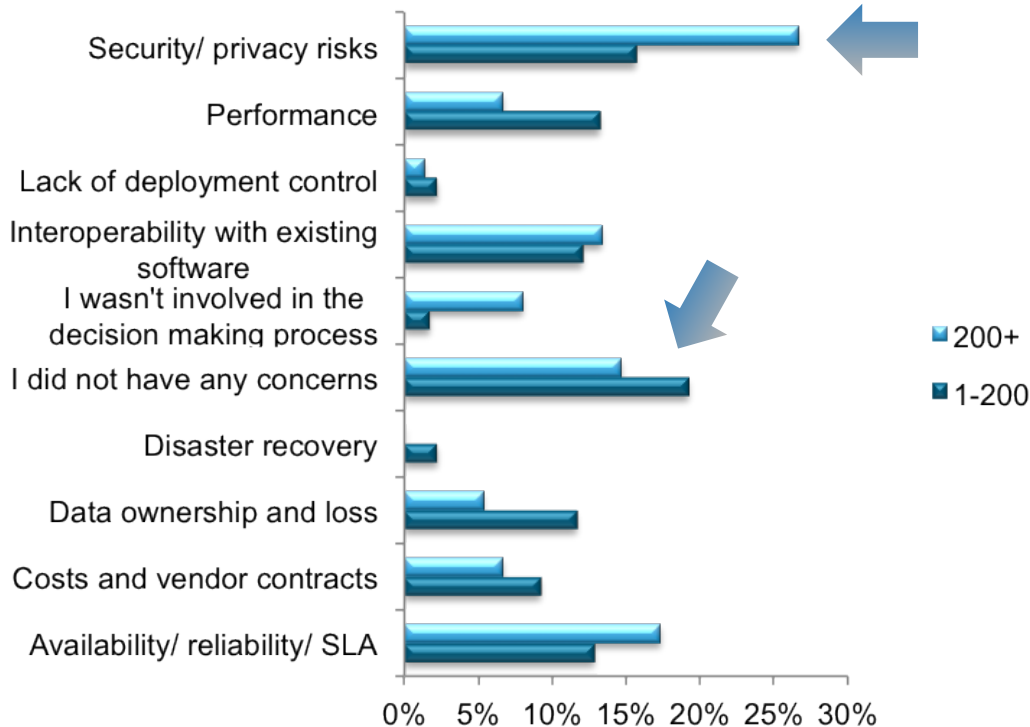
- Google is a reputable and trusted brand

- Small companies tend to not have concerns about implementing Google Apps

- As companies grow, they are concerned more with security and reliability

Thoughts from our respondents:

"I have a fear, unlikely as it is, that Google Apps may crash or go away overnight. I don't work in any other environment where I only have one copy of my data."

"If Google could match Microsoft Office it would be much much much much much easier to start using Google products for enterprises."

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Once on Board, SMBs Stick with Google Apps as a Long Term Solution

How long has your organization been using Google Apps? (Google Apps includes Gmail, Google Calendar, Google Docs, etc)
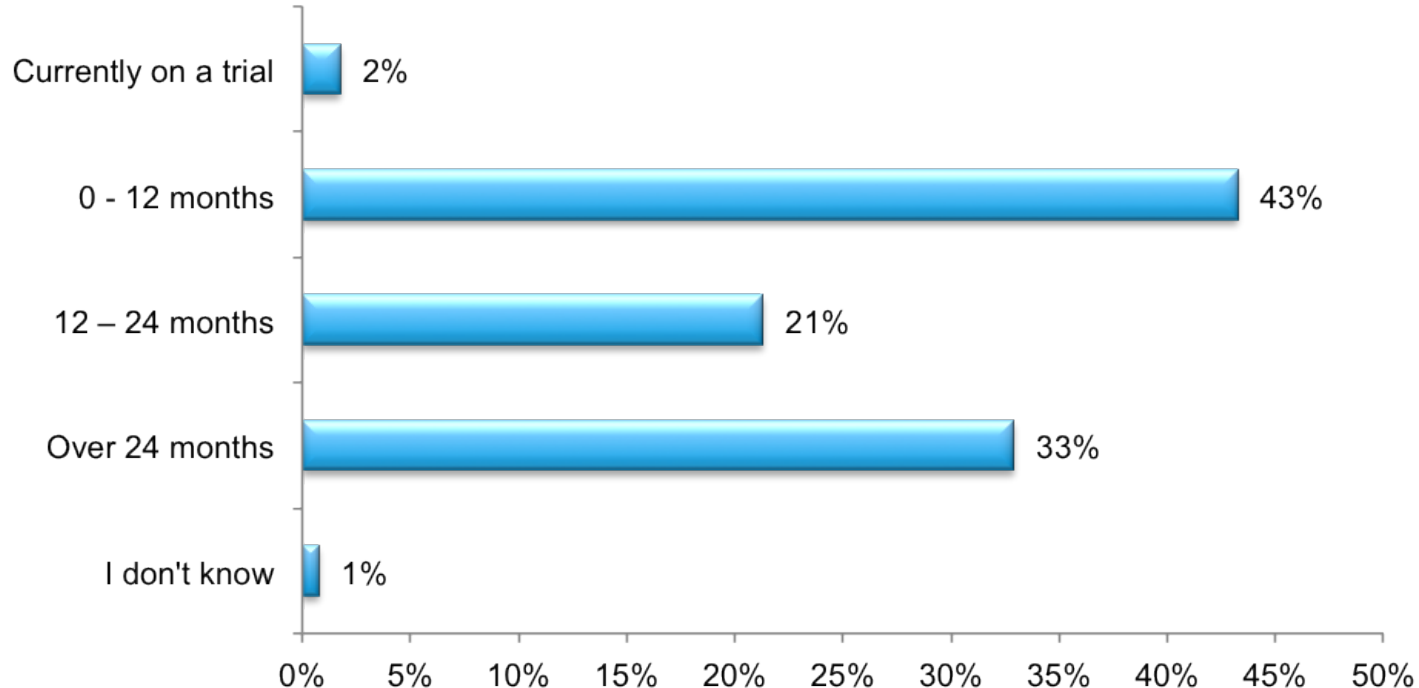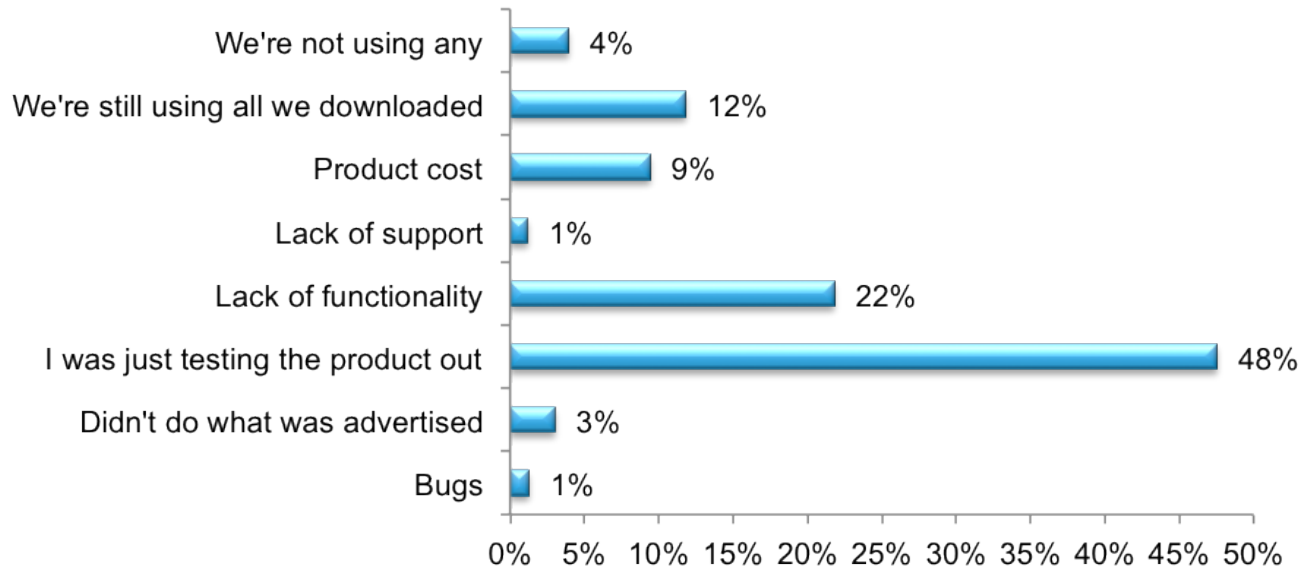

- More than half of respondents (54%) have been using Google Apps for more than one year

- 33% of respondents have been on board for more than two years
  - 2+ years is significant considering Google Apps has been around for five

Free Trials Allow Users to Test Out a Variety of Options and See What Works Best

If you stopped using a product from the Google Apps Marketplace, please choose the primary reason why.

Reason	Percentage
We're not using any	4%
We're still using all we downloaded	12%
Product cost	9%
Lack of support	1%
Lack of functionality	22%
I was just testing the product out	48%
Didn't do what was advertised	3%
Bugs	1%

- Almost half of all respondents (48%) stopped using products after testing them

- More than one in five (22%) explicitly stopped due to lack of functionality

Thoughts from our respondents:

"My purchasing decision was based on whether I could try the app before committing to buy the app. I don't mind paying for valuable services."

Users Typically Download Multiple Products, then Settle on a Few Over Time

5.8 vs 2.9

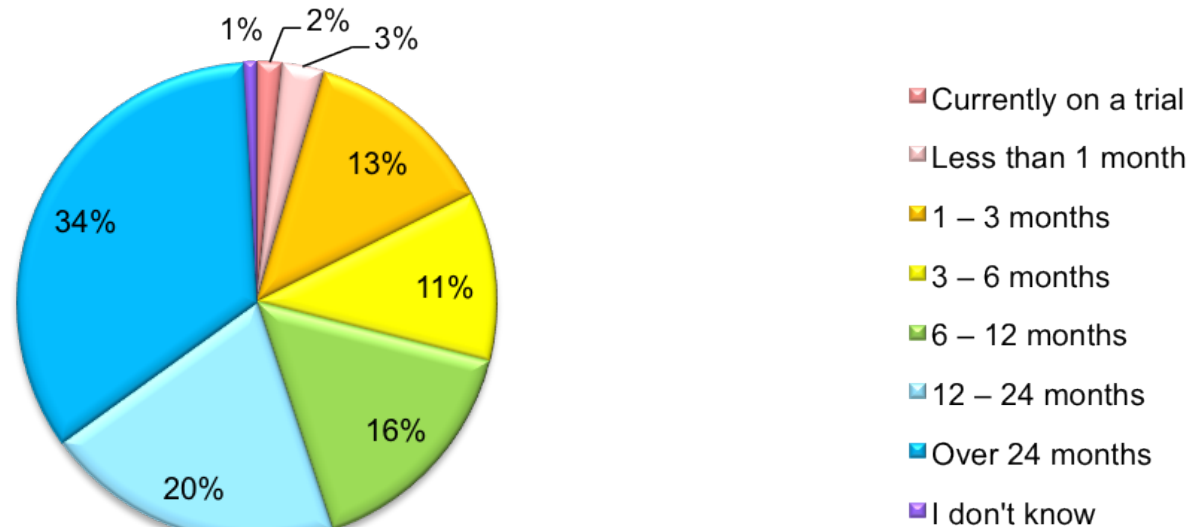Average number of apps ever installed from the Google Apps Marketplace

Average number of apps used regularly from the Google Apps Marketplace

- Almost one-fourth (24%) report they've downloaded more than 8 apps ever

- 64% of companies regularly use 1-3 apps

- Download rates are fairly consistent across business sizes

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Integration into Google Apps is Key for Using these Products

Time on Google Apps for those who search for products based on integration

- Currently on a trial
- Less than 1 month
- 1 – 3 months
- 3 – 6 months
- 6 – 12 months
- 12 – 24 months
- Over 24 months
- I don't know

- Of 1,000 stated responses, 23% explicitly mention the word "integrate" when asked what would make their Google Apps experience better

Thoughts from our respondents:

"I'd prefer not to have 7 different programs to do all individual tasks."

"Currently, you have to use several apps. No one really has an all in one solution that is still easy to use but powerful."

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Conclusions

- Small businesses and technology companies are the predominant users of Google Apps

- These companies are early adopters and embrace Google Marketplace applications

- Overall, users trust Google and are satisfied with their experience with the platform

- Larger companies view the Google platform differently than smaller organization, tending to put more focus on security

Looking Forward

- Google needs to decrease the barriers to entry to make the Marketplace more accessible and less intimidating to a broader audience

- Free trials will continue to lure in users and facilitate product installs, but more thorough product integrations with Google Apps are required to keep users on board in the long term

- Google should market to small and large companies differently - each has different barriers to entry and varying concerns

- Products need to be more sophisticated and address security concerns in order to draw in the enterprise buyer

Additional Quotes

- *"It appears that this concept (integrated sharing) doesn't exist within the Gmail framework so all of the attempts to provide it seem to be a crude workaround, and **lack the true integration + ease of use that you come to expect when using Google** products."*

- *"I have so many different websites to go to on a daily basis I would like everything I need on one site only."*

- *"I would love to see a higher degree of integration into my mailbox with the apps I use most… since the mail-tab always is open."*

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