

A Majority of SaaS Purchases Being Driven by Business Heads, Not IT

Business heads make the purchasing decision in 51% of deals, although IT managers continue to be key influencers

Singapore & New Delhi, October 14, 2009 – Spending on SaaS (Software-as-a-Service) in Asia (excluding Japan) is set to experience 46% growth between 2008 and 2012, with the market estimated to be US\$2.25 billion in 2012, says the latest research study by Springboard Research, a leading innovator in the IT Market Research industry. Springboard's report adds that SaaS purchases are significantly different from other IT purchases as business heads make the purchase decisions in approximately 51% of deals, although the IT manager continues to be the key influencer in the decision.

"SaaS is continuing to cannibalize on-premise applications, with 50% of 530 survey respondents saying that they evaluated an on-premise application before deciding on a SaaS solution," said **Michael Barnes, Vice President of Software Research at Springboard Research**. "This, coupled with 35% of the respondents mentioning that they had replaced an on-premise application with a SaaS solution illustrates how SaaS is continuing to permeate within organizations in the region," added Mr. Barnes.

Springboard found that contrary to popular belief, the highest SaaS penetration in Asia (excluding Japan) is amongst the very large enterprises (with greater than 1,000 employees) in the region. While the simplicity and convenience of the SaaS model continues to appeal to users, lower TCO has also begun to emerge as a prominent driver in some markets. Other key benefits cited by respondents include greatly simplified maintenance, easy access to the latest versions, and a drastic reduction in implementation time.

Based on the number of adopters surveyed, CRM remains the most widely deployed SaaS application, followed by security/compliance and collaboration tools. However, in 2009 Content and Collaboration surpassed CRM in terms of overall market size in Asia Pacific (excluding Japan). Salesforce.com continues to dominate the SaaS market with other leading players including Citrix Online, Cisco Webex, Microsoft, Netsuite, Oracle, and RightNow.

About this report

This Springboard Research report focuses on the key trends and dynamics in the APEJ SaaS market. It offers data on the enterprise SaaS market, provides growth forecasts, outlines the demand drivers, provides insights into customer behavior and details growth strategies of key vendors. This document's insights were informed by our survey of 530 technology and business leaders from large, medium and small enterprises in ASEAN, the People's Republic of China (PRC), India, Australia and New Zealand. In addition, the methodology leveraged for this report included extensive secondary research and interviews with leading SaaS providers in the market.

About Springboard Research

Springboard Research is a next-generation IT market research and advisory firm. Springboard leverages its pioneering research model to deliver greater agility and flexibility in IT market research and helps its clients lead rather than follow market trends. Springboard works with the leading IT companies in the world in the software, services, telecom, and hardware sectors. Founded in 2004, Springboard has a worldwide presence with offices in the United States, Australia, Singapore and Japan, as well as global research centers in India, Pakistan, and Morocco. Springboard has been acknowledged as an emerging leader and was recently named “Rising Star” in the global IT market research industry by Outsell, the leading research and advisory firm for the information industry. For more information, please visit www.springboardresearch.com

Media Contacts

Rishi Seth, Manager - Marketing
Springboard Research
91-11-4051-8241
rseth@springboardresearch.com

Michael Barnes, Vice President - Software Research
Springboard Research
65-
mbarnes@springboardresearch.com