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The Impact of the Google Apps Marketplace on the Success and Adoption of Google Apps

A Frost & Sullivan
White Paper

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EXECUTIVE SUMMARY

In the evolving market for enterprise technology, today's decision-makers are faced with more options than ever before. With so many choices, Frost & Sullivan launched a study to examine the underlying key factors and trends in adoption as they relate specifically to the cloud, the Google Apps suite and complementary third-party applications.

The study is based on a sample of 1,158 respondents surveyed regarding their use of the Google Apps suite and the impact third-party applications integrated with the suite have on their overall satisfaction and use of Google Apps. We further analyze important drivers that impact user satisfaction to gauge the success of the Google Apps Marketplace and third-party application developers. Of particular note is the strong emphasis Google Apps administrators place on integrated cloud-based applications that support a mobile workplace and lifestyle. We also closely examine the impact of Google's enterprise offerings on the use of Microsoft Office.

The resulting findings show a highly satisfied user base that cites third-party Marketplace applications as crucial to their overall move to the cloud and placement of Google Apps at the center of their IT infrastructure.

Overall, we find that the Google Apps suite provides a comprehensive and compelling motivation for organizations to migrate to the cloud, and that an ecosystem of third-party application developers exists to provide integral services that further improve the experience of operating on Google Apps.

SURVEY OBJECTIVE & METHODOLOGY

The main objective of this research is to identify trends in usage of and satisfaction with the Google Apps suite, particularly in relation to cloud adoption and the importance of third-party applications. Following from this identification, this study aims to identify areas of improvement for third-party developers and to pin-point key trends related to adoption of cloud technologies in the enterprise.

The process involved an online survey of 1,158 respondents familiar with the Google Apps suite. Respondents were asked about their experiences with Google Apps, the Google Apps Marketplace and their attitudes toward cloud solutions in general.

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INTRODUCTION

Cloud technology has been making significant inroads in enterprises for years. However, in the past few months, we've seemingly reached a fever pitch—companies that have yet to adopt cloud technologies at least in part are increasingly in the minority.

According to Frost & Sullivan Industry Principal Robert Arnold, “companies are moving away from long-term capital expenditures and toward flexible cloud solutions. They are seeking the predictable operational expenditure and flexibility of cloud solutions.” This rings true for organizations that have adopted Google Apps—Google’s cloud-based messaging and collaboration suite, which now serves more than 5 million organizations and 50 million users around the globe.

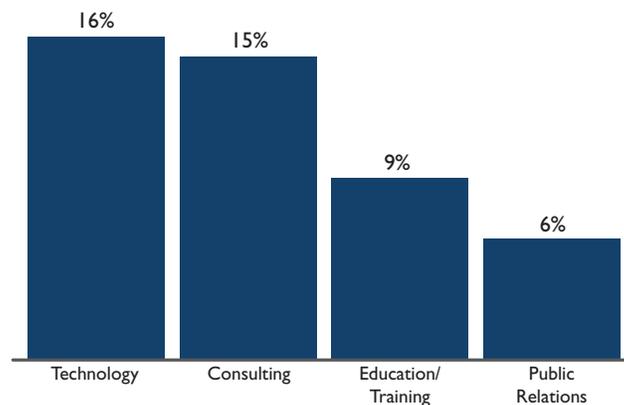
To optimize these deployments, companies are turning to accompanying enterprise marketplaces like the Google Apps Marketplace and finding a host of highly integrated third-party applications that can significantly enhance and extend the functionality of the native suite.

For Google Apps administrators, the Google Apps Marketplace is growing both in terms of product offerings and esteem. To bolster its Marketplace and vendors, Google recently introduced a Technology Partner track aimed at elevating the status of qualified developers and providing technical, marketing and sales support. Google’s renewed focus on the Marketplace and the release of a new category of integrated applications known as Add-ons for Docs and Sheets highlight the importance Google and administrators alike place on a vibrant and expanding ecosystem.

RESPONDENT DEMOGRAPHICS

Out of 1,158 survey respondents, 64% are Google Apps administrators and 29% place Google Apps at the core of their IT infrastructure; 52% have been using the Google Apps suite for more than 24 months. Over time, both use of integrated third-party products and satisfaction with the Google Apps suite have grown.

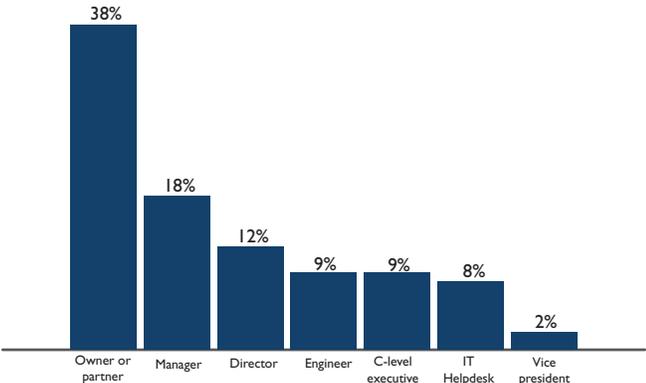
Figure 1: Top Industry Sectors



Source: Frost & Sullivan

“The respondent base is a highly qualified group with in-depth experience administering Google Apps and complementary third-party applications,” notes Arnold.

Figure 2: Top Workplace Roles



Source: Frost & Sullivan

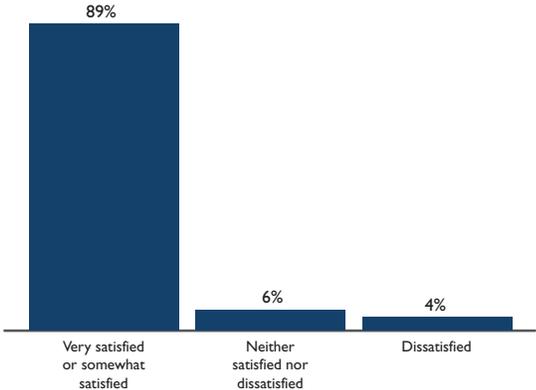
Please see the sidebars for details.

ROLE OF THIRD-PARTY APPLICATIONS IN OVERALL SATISFACTION WITH GOOGLE APPS

Respondents report high satisfaction with the Google Apps suite, and this satisfaction is due in part to the wide-ranging functionality the suite brings. Oftentimes this expansive functionality comes from the use of highly integrated third-party applications installed via the Google Apps Marketplace—home to more than 750 applications.

According to the IT administrator at the Alzheimer’s Association, “While Google is a huge company, they just can’t do everything. Just as in the old desktop software days, third-party applications are needed to enhance the base product. I think it’s great that Google has established the Apps Marketplace, allowing IT admins to enhance Apps with third-party, cloud-based solutions.”

Figure 3: Satisfaction with Google Apps Suite



Source: Frost & Sullivan

Top Industry Sectors

Technology	16%
Consulting	15%
Education/Training	9%
Public Relations	6%

Top Workplace Roles

Owner or Partner	38%
Manager	18%
Director	12%
Engineer	9%
C-Level Executive	9%
IT Helpdesk	8%
Vice President	2%

89% of respondents are satisfied with the Google Apps suite

Satisfaction with Google Apps Suite:

Very satisfied or somewhat satisfied	89%
Neither satisfied nor dissatisfied	6%
Dissatisfied	4%

Google Apps is a key component of the IT architecture of 88% of those surveyed.

More specifically, 29% of administrators cite Google Apps as the core of their IT infrastructure and 59% claim it plays an important part.

Importance of Google Apps:

Core of our infrastructure	.....	29%
Important part	.....	59%
Less important	.....	10%
Don't know	.....	2%

Third-party apps are, for many enterprises, a key driver in determining the capability of an organization to even move to the cloud:

32% of administrators say that third-party apps were integral in their move to Google Apps and the cloud.

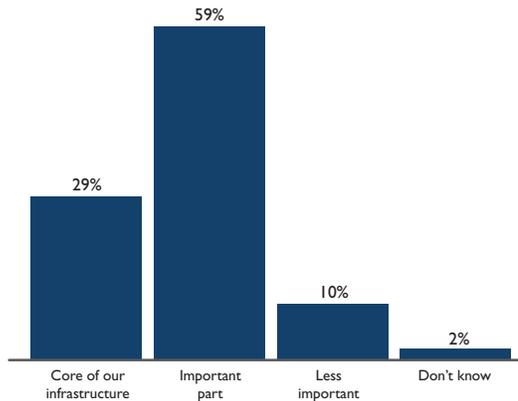
Another 38% state that third-party apps were helpful in the transition.

Role of Third-Party Apps

Very important	.....	9%
Important	.....	23%
Helpful	.....	38%
Didn't use them	.....	20%

In addition to applications that enhance existing functionality, especially popular applications are those that replace functionality lost in the transition to the cloud—more specifically, in a move away from the Microsoft Office suite. Replacing critical functionality like Microsoft Visio or Project as well as finding new ways to manage and secure the Google Apps suite are not only crucial from an administrator’s perspective, but can greatly ease the transition to Google Apps for end users who have operated on Microsoft Office for years. “We have used third-party apps to increase productivity, lower costs, increase functionality and increase adoption from the end users,” notes the IT administrator from Konica Minolta Business Solutions.

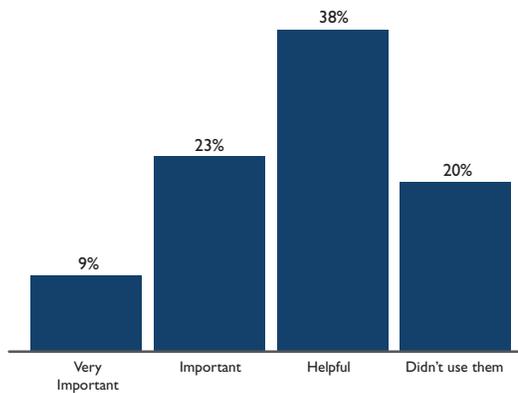
Figure 4: Importance of Google Apps



Source: Frost & Sullivan

As seen in the sidebar, thirdparty apps are, for many enterprises, a key driver in determining the capability of an organization to even move to the cloud.

Figure 5: Role of Third-Party Apps



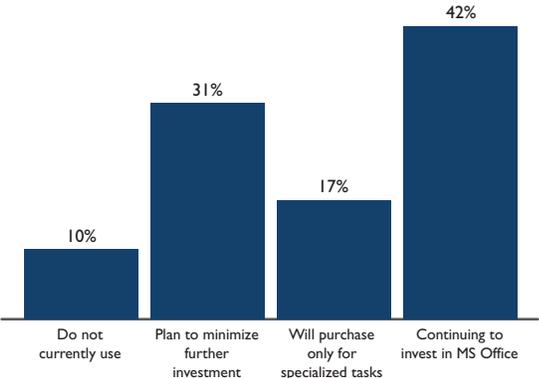
Source: Frost & Sullivan

Administrators also prefer installing third-party applications found in the Marketplace to building their own. “Marketplace vendors have already built the functionality we would have previously needed to build on our own,” notes the Alzheimer’s Association IT administrator.

IMPACT OF GOOGLE APPS AND THE MARKETPLACE ON MICROSOFT OFFICE USAGE

Organizations that have fully embraced Google Apps are either in part or entirely replacing Microsoft Office with comparable Google Apps applications. For instance, organizations are moving to Google Docs from Microsoft Word, to Google Sheets from Microsoft Excel, and to Google Slides from Microsoft PowerPoint. Third-party Marketplace applications and recently released Google Add-ons for Docs and Sheets can also help organizations deprecate their use of Microsoft Office products.

Figure 6: Impact on Microsoft Office



Source: Frost & Sullivan

This upheaval points to Google’s long-standing dominance of the enterprise cloud market and its early embrace of mobile technology. “Forward-thinking organizations are looking at both supporting and deploying alternative applications that make it easy and cost-effective for employees to work where they want to, how they want to, and when they want to,” says Melanie Turek, vice president of research in Enterprise Communications and Collaborations, Frost & Sullivan.

According to the Alzheimer’s Association IT administrator, “Whenever possible, we look for solutions that are web- and browser-based, in other words, solutions that employees can access through a web browser without having to download any plug-in or install any software. This is especially helpful when employees switch devices; they don’t have to worry about compatibility issues.

58% of administrators either do not currently use Microsoft Office products (10%), plan to minimize further investments (31%) or will purchase Office only for specialized tasks.

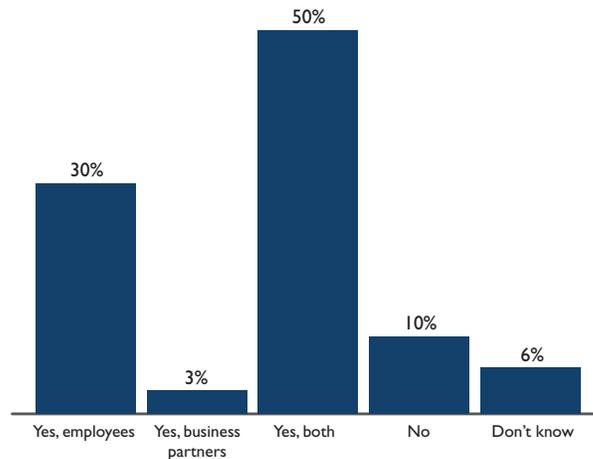
Impact on Microsoft Office

Do not currently use	.....	10%
Plan to minimize further investment	.....	31%
Will purchase only for specialized tasks	.....	17%
Continue to invest in MS Office	.....	42%

84% of respondents’ workplaces have adopted BYOD (bring your own device) policies.

Workplaces that have Adopted BYOD Policies:

Yes, employees	.....	30%
Yes, business partners	.....	3%
Yes, both	.....	50%
No	.....	10%
Don’t know	.....	6%

Figure 7: Workplace that have Adopted BYOD Policies

Source: Frost & Sullivan

Moreover, Google Drive, Google's cloud-based, OS-agnostic collaboration and storage solution "outweighs the desktop Office Suite" adds the administrator. "When it comes to collaboration, Google scores head and shoulders above machine-based programs."

THE IMPORTANCE OF INTEGRATION IN APPLICATION SELECTION

According to Robert Arnold, "decision-makers have more choices today than ever before. They are no longer reflexively checking renewal boxes as they have for so many years. Increasingly, they are demanding a broader set of tightly integrated applications which satisfy diverse user requirements and are delivered under a consistent service framework." Arnold refers not only to on-premises solutions, but also to those in the cloud. With the proliferation of cloud applications, administrators have more options than ever and as such can be more selective. To stay competitive, solution providers must provide sophisticated, automated and highly integrated applications.

Of Google Apps Marketplace applications, those most deeply integrated with the native Apps suite are often the most sought-after, as noted by the IT administrator of Konica Minolta Business Solutions. "We generally do not pick apps that are not widely supported as we do not wish to provide application or integration support ourselves."

When it comes to application selection, administrators are relying on many channels, including independent online research through blogs and online reviews, the Google Enterprise Blog and colleague recommendations.

CONCLUDING REMARKS

For Google Apps administrators who have placed Google Apps at the core of their IT infrastructure, satisfaction with the suite is expected. However, the crucial role played by complementary third-party applications is less so. Though application marketplaces have long supported mainstream software platforms, the Google Apps Marketplace has yet to garner such attention. However, with Google's new Technology Partner track, renewed focus on enterprise offerings like Drive for Work, and technological and cultural changes making the cloud more attractive than ever, the Marketplace and developers that focus on facilitating integration—between multiple applications, multiple devices and multiple remote employees—are poised for massive success.

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ABOUT THE CLOUD ALLIANCE FOR GOOGLE APPS

Founded in 2011, the Cloud Alliance for Google Apps is comprised of the leading independent software vendors in the Google Apps ecosystem. Member companies provide software solutions covering a variety of objectives, including management and security, backup, project management, productivity, unified communications, conference calling, workflow infrastructure, CRM, migration services and helpdesk support. Members include BetterCloud, Esna, Insightly, Lucidchart, Fujitsu RunMyProcess, ShuttleCloud, Smartsheet, Spanning, Yesware, UberConference and Zendesk. For more information, visit www.cloudallianceforgoogleapps.com.

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