



Software as a Service Hits Its Stride in Australia and New Zealand

SaaS Awareness is widespread in ANZ; Springboard Research estimates the ANZ SaaS market will grow at a compound annual growth rate of 65% through 2010

Sydney, Australia – September 4, 2007 – Springboard Research, a leading innovator in the IT Market Research industry, today announced the results of its latest research on the Software as a Service (SaaS) market in Australia and New Zealand (ANZ). Springboard data shows that increased vendor activities and the fundamental appeal of SaaS has been responsible for a 31 percentage point increase in awareness over last year, with 96% of the organizations surveyed indicating their awareness of SaaS. Springboard also forecasts that the SaaS market in ANZ will have a compound annual growth rate of 65% and will reach AUD506 million by 2010.

Springboard Research survey results further showed that customer relationship management (CRM) was the largest application segment in ANZ, capturing 51% of overall spending and ANZ continued to be the most mature market in the region, accounting for 34% of the total Asia Pacific market.

“SaaS has made significant inroads into the business mainstream in Australia and New Zealand,” said Phil Hassey, Country Manager for Springboard Research Australia and New Zealand. “Faced with demanding business environments, escalating IT expenditures and increasingly complicated IT systems, many enterprises have turned to SaaS as an alternative solution. As maintenance costs go down with SaaS, enterprises have found a spin-off benefit with the opportunity to cut down on expensive in-house or outsourced IT personnel, compared to the traditional software model where implementation and software upgrades cost more money and time,” Hassey added.

While IT departments remain firmly in control of software deployments in large organizations, business users are emerging as key influencers of SaaS adoption within many companies in ANZ. In many instances, SaaS applications are being used without the involvement or knowledge of the IT department, as business users find it easy to subscribe to and deploy SaaS.

“ ‘Ease of use and management’ was named the number one reason for deploying SaaS by 31% of our survey respondents,” said Balaka Aggarwal, Senior Market Analyst for Emerging Software at Springboard Research. “Combine this with the collective 20% that responded that ‘zero/low maintenance’ and ‘ease of deployment’ drove them to use SaaS, and it’s clear that those factors are driving the SaaS market more than pricing,” added Aggarwal.

Springboard Research has also observed considerable activity from ANZ ISVs who are buoyed by the success of SaaS. While global players such as Salesforce.com, WebEx, Oracle, RightNow, and NetSuite collectively have 75% of the market, local ISVs have been successfully providing niche applications and competing with larger players on the basis of quality of service delivery. Local ISVs like Aussiepay, WebCentral, and

Saasu have found SaaS attracts SMBs due to its convenient and easy purchase and deployment, and the fact that SaaS does not require expensive IT professionals.

About This Study

The Springboard Research report, *Software-as-a-Service Market in Australia and New Zealand: Software Gets Saucy*, examines key trends in the ANZ enterprise software as a service (SaaS) market. A key focus area of the report is the inclusion of an array of market data, including market size and growth forecasts, for key application segments of the enterprise SaaS market in Australia and New Zealand. Through Springboard's survey of 103 CIOs and IT decision-makers at enterprises, the level of SaaS awareness, adoption and usage has been assessed in more depth. This report also profiles the leading SaaS vendors in ANZ, their offerings and their business strategies.

About Springboard Research

Springboard Research's core values are value, integrity and insight. Led by a team of dynamic industry experts, Springboard Research provides its customers with high value IT market research that helps them identify new market opportunities, growth engines and innovative ways to go to market. As a result, Springboard's clients lead rather than follow market trends. Not bound by legacy, Springboard's cutting-edge research model leverages its offshore research centers, the Internet, and an increased use of technology as engines of innovation to deliver unique research value. Provided as an alternative to traditional IT market research, Springboard's reports deliver data and knowledge in a more usable and interactive format for our clients. Springboard Research works with the largest IT companies in the world in the software, services, hardware, and telecommunications sectors.

Founded in 2004, Springboard Research serves the needs of its clients globally through offices in the United States, Australia, Singapore and Japan as well as global research centers in India and Pakistan.

For more information regarding Springboard Research, please visit www.springboardresearch.com

Media Contacts

Phil Hassey, Country Manager- Australia/New Zealand
Springboard Research
61-2-9959-1926
phassey@springboardresearch.com

Chris Perrine, COO & EVP of Sales & Marketing
Springboard Research
65-6325-9717
cperrine@springboardresearch.com

Balaka Baruah Aggarwal, Senior Manager- Emerging Software
Springboard Research
91-11-40518249
baggarwal@springboardresearch.com