



Software as a Service Continues its High Growth Trajectory in Asia

Market Expected to Grow 83% in 2007 as Awareness and Adoption Rates Increase Significantly

Singapore – July 23, 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 Asia (excluding Japan). Springboard's data shows significant growth in awareness and adoption of SaaS across the region with the market increasing 92.5% in 2006 to reach a market size of US\$154 million. Springboard forecasts that the SaaS market in Asia will reach US\$1.16 billion by 2010, with a compound annual growth rate of 66%, to comprise 15% of the enterprise software application market.

Springboard recorded a substantial increase in SaaS awareness in the last year, with awareness among those surveyed (385 organizations) increasing from 41% in 2006, to 75% in 2007. This increase in awareness also led to a rise in adoption, with 46% of those enterprises surveyed replying that they were using some form of SaaS in their organizations (compared to 29% in 2006). Springboard also observed that the primary reason for adoption shifted from price to other factors that included ease of use, ease of implementation, and lower maintenance.

"We saw significant increases across the board for SaaS through our research, which proves that SaaS has market momentum for the long run," said Dane Anderson, CEO & Executive Vice President for Research at Springboard Research. "It is a very dynamic time for SaaS in Asia with pure-play vendors like Salesforce.com, Netsuite, and WebEx gaining increased traction in Asia, together with smaller SaaS firms making moves into the region. Round that out with the large players in the industry like SAP, Oracle, and Microsoft becoming more aggressive with SaaS, and the market for the rest of 2007 and 2008 is going to be very interesting," Anderson added.

Springboard found that although customer relationship management (CRM) remains the largest SaaS application segment by revenue in Asia, representing 45% of total SaaS revenue in 2006, data shows that organizations are aware of and use many different types of SaaS applications. Springboard also found satisfaction levels with SaaS applications ran very high, with all application segments scoring between a 7 to 8 on a 10-point scale.

"SaaS is definitely going beyond CRM, which is the area it has been associated with in the past," said Ravi Shekhar Pandey, Research Manager for Springboard Research. "With all segments of SaaS growing, we are seeing applications across the board being adopted by enterprises in the region and more importantly, we are seeing enterprises being very happy with the SaaS applications they are using. This bodes well for the market, not only the small to medium businesses that have been the mainstay for SaaS vendors, but also those large enterprises looking at SaaS for non-critical applications," added Pandey.

Springboard also saw the competitive landscape in Asia Pacific is beginning to change. Even though the regional SaaS market is still dominated by the top 5 vendors – Salesforce.com, WebEx, RightNow Technologies, Oracle and NetSuite – several other vendors, especially local players, are beginning to make their presence felt in the region. Vendors like Australia-based Saasu (accounting applications), Aussiepay (payroll application), Singapore-based JustLogin (collaboration), China-based 800CRM (CRM on-demand) and India-based Adrenalin eSystems (payroll/employee management) are gaining popularity in the local markets.

About This Study

The Springboard Research report, *The Software-as-a-Service Market in Asia Pacific, 2006 to 2009: Expanding the Reach & Appeal of Software*, examines key trends in the Asia Pacific 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 Asia Pacific (excluding Japan). Through our survey of 385 CIOs and IT decision-makers at enterprises in Australia, China, India, New Zealand, and Singapore, we've assessed the level of SaaS awareness, adoption and usage in more depth. Our report also profiles leading the SaaS vendors in the region, their offerings and 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.

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