

Gartner: Social Software and Collaboration Revenues to Double by 2023

Written by Frederick Douglas
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The global market for social software and collaboration in the workplace is set to grow from \$2.7 billion in 2018 to \$4.8bn by 2023, an increase of nearly 100%, Gartner reports.



“The collaboration market is the most fragmented and contextually focused it has ever been, making the barrier to entry extremely low,” the analyst says. “By 2023, we expect nearly 60% of enterprise application software providers will have included some form of social software and collaboration functionalities in their software product portfolios.”

The collaboration market is fragmented into many submarkets-- such as employee communications applications or meeting solutions-- that often do not compete with each other. Such a market is not a winner-take-all space (yet), allowing for opportunities for innovations to expand each submarket. Gartner predicts social software and collaboration will leverage capabilities such as social analytics, virtual personal assistants (VPAs) and smart machines.

Collaboration software in the modern workplace is connected to growing amounts of routine work. It is increasing penetration in the existing user base and growth from emerging regions (such as China) in the number of potential users and buyers. The number of knowledge workers is to increase to 1.14bn by 2023, with over 80% coming from the emerging world.

Furthermore, enterprises are moving towards a portfolio approach for collaborative technologies. Gartner says no single vendor can address all the current needs of decision makers, and while collaboration services are becoming infrastructure services, such an

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approach brings more silos since everyone wants to become their own destination.

Slack is the vendor most associated with the workstream collaboration market, but Microsoft and Google both have workstream collaboration offerings bundled in own cloud office suites. Thus, noncloud office vendors need to focus on more specific business scenarios (such as sales, marketing, customer service, supply chain), decision-making roles, supporting use cases, deeper integration capabilities and 3rd party partnerships if they want to compete.

Social media and real-time messaging are also key to enterprise collaboration. According to the April 2019 Gartner Digital Worker Survey, 58% of respondents (from 7261 participants based in Europe, the US and APAC) use real-time mobile messaging tools daily, while 45% use social media networks daily. As a result, buying decisions are increasingly driven by categories within the social software market reflecting specific business needs, a shift with the potential to create a dominant player in each submarket or draw new entrants into the space.

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