

Market Guide for Microsoft Product Support Services, Worldwide

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Initiatives: [IT Sourcing Strategy Development and Execution](#); [IT Contracts Negotiations](#)

Microsoft products can represent a huge percentage of an organization's software and SaaS infrastructure, and Unified Support is the default support offering. Sourcing, procurement and vendor management leaders can use this guide when evaluating support solutions for optimum value and service.

Overview

Key Findings

- Unlike many software and SaaS providers, Microsoft does not require organizations to purchase advanced support to get security fixes, product updates or maintenance.
- The cost of Microsoft Unified Support usually increases each year for many customers, sometimes to the point that they struggle to justify and afford it.
- Third-party providers compose 10% to 15% of the market for Microsoft support, with Microsoft owning the rest of the market.
- Sourcing, procurement and vendor management (SPVM) leaders are often unsure of how to evaluate third-party Microsoft support providers.

Recommendations

As an SPVM leader responsible for contracting Microsoft support services, you should:

- Examine the features and pricing for Microsoft's support offerings, and work with Microsoft to obtain transparent and predictable pricing.
- Interview third parties offering support (and their references) to identify alternative providers that could save your organization at least 40% versus Microsoft Unified Support.

- Protect your organization by analyzing the risks of using a third-party support vendor. For example, account for potential delays that could occur when the vendor must escalate to Microsoft.
- Use Gartner's five-step process for evaluating third-party Microsoft support service providers. Verify the viability of third-party support compared with first-party (Microsoft) support, and conduct a risk-benefit assessment.

Strategic Planning Assumption

By year-end 2026, market share for third-party providers of Microsoft support will be 25% to 30%, up from 10% to 15% in 2022.

Market Definition

Technical support services for Microsoft products help engineers and architects in medium to large organizations resolve operational problems. Gartner considers any provider of support services for Microsoft products — including Microsoft itself — to be part of the market for Microsoft product support services (see Notes 1 and 2).

Market Description

Microsoft is different from many software and service providers. While many other providers sell maintenance, support, and bug and security fixes together, Microsoft sells maintenance and support separately, and includes bug and security fixes in the purchase price (for software). Online services are more similar between Microsoft and other vendors (see Figure 1).

Figure 1: Included Services, Optional Services, and Required Services for Microsoft and Other Software and SaaS Vendors

Included Services, Optional Services and Required Services for Microsoft and Other Software and SaaS Vendors

■ Included ■ Optional ■ Required ■ Discussed in This Research

Microsoft Software	Microsoft SaaS	Many Other Vendors' Software	Many Other Vendors' SaaS
Bug and Security Fixes	Continual Updates ^a	Maintenance, Including Fixes and Support ^b	Continual Updates ^a
Software Assurance (Maintenance)	Basic Support	Advanced Support	Basic Support
Incident-Based Support	Professional Direct Support		Advanced Support ^b
Unified Support	Unified Support		
Enhanced Solutions	Enhanced Solutions		

Source: Gartner

^a Continual updates also include bug and security fixes.

^b The policy varies by the vendor.

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Because Microsoft splits out fixes from support, customers can source advanced product support from other providers. Thus, one may see Microsoft as enabling the third-party support market.

The advanced support services referenced in this Market Guide are not service desk replacements used by individual users. Rather, they are support services accessed by skilled technicians working in enterprise IT departments. In some cases, these support services may be used by highly skilled business end users developing solutions with citizen development tools. Problems may include product misuse, misconfiguration, availability and product bugs.

Microsoft is the obvious vendor to provide support for its own products and has thousands of support customers. However, sometimes, Microsoft does not meet customer expectations for level of support, speed of response and resolution, or price.

Approximately 60% of Gartner inquiries on Microsoft support show dissatisfaction due to support quality, price or both. ¹

Third-Party Market Genesis

The market for alternative support providers for Microsoft products was largely born in 2017, when Microsoft introduced its Unified Support offering. Unified Support is priced as a percentage of product purchases (starting at 8% to 10% of the entire Microsoft licensing estate). It replaced Microsoft's Premier Support offering, which allowed organizations to buy a number of hours of support that they could ration and use during the year. While many organizations complained that it was difficult to properly estimate the number of hours they would consume with Premier Support, many of those same organizations now lament the high cost of Unified Support.

Aside from Microsoft, most providers of Microsoft support services sell their services either by the hour (and, some, by the seat) or by the server. Hourly support is usually less expensive, but it has the same rationing issue that Premier Support had. Seat- or server-based pricing may be more expensive than hourly support, but it has fewer limitations. Most customers expect to save at least 40% by going with a third-party provider instead of Microsoft Unified Support. In fact, many customers would not consider taking the risk of using a third-party provider unless they expected savings in the 50% range. ²

Product support providers, aside from Microsoft, can offer other value-added services, such as support for products from other providers, including Cisco, Oracle and VMware. As a result, customers can simplify operations by consolidating on a single provider for support. While Microsoft will work with other vendors to resolve issues with Microsoft products, it does not support other vendors' products separately.

Organizations moving from Premier to Unified Support can see price increases of 200% or more, often leaving budget shortfalls of tens or hundreds of thousands of dollars. Once an organization has transitioned to Unified Support, increases in the range of 20% to 50% (year over year) are not unusual. This is especially true as organizations move to the cloud, increase their Azure spend and move from lower-cost Office or Microsoft 365 bundles to the more costly ones. ²

Gartner estimates that 85% to 90% of medium and large customers that have purchased Microsoft product support use Microsoft Premier or Unified Support, while the other 10% to 15% use an alternative provider. ³ Smaller customers are more likely to use free support or get their support from a consultant or system integrator.

Market Direction

Inquiries to Gartner regarding support services for Microsoft products approximately quintupled between 2017 and 2021, and increased by 25% from 2020 to 2021. This rise in interest was driven by upward pressure on the price of Microsoft Unified Support as a result of the following:

- Increased spending on Microsoft products and online services, especially Azure and upgrades from Microsoft 365 E3 to Microsoft 365 E5
- Decreases in Microsoft discounts as organizations transition from Premier Support to Unified Support
- Decreases in the 24x7 Problem Resolution Support Software Assurance benefits that Microsoft awards to customers based on spending, which can fluctuate from year to year
- Microsoft's pricing policies for Unified Support, and the inability or unwillingness of account teams to present a clear and transparent breakdown of the fees
- True-ups or other large software purchases, which can create spikes in Unified Support costs (see [What You Need to Know Before Negotiating a Microsoft Unified Support Agreement](#))

Microsoft announced that commercial customers would be able to renew Premier Support through 30 June 2022. ⁴ Despite this formal announcement, many customers were told by their Microsoft representatives (even in prior years) that Premier Support was no longer available to them and that they would be offered only a Unified Support contract. Thus, customers' ability to purchase Premier Support seems to have been at the discretion of the Microsoft account team.

Gartner finds that the majority of organizations stay with Microsoft Unified Support the first time it is offered. However, they get more serious about considering alternative providers in each successive renewal, as the price increases and the discounts decrease. This dynamic could lead to significant growth for third-party support.

Market Analysis

Gartner's 2022 IT Key Metrics Data shows that software, SaaS and cloud (all categories Microsoft participates in) represent 33% of organizations' IT spending across industries (see [IT Key Metrics Data 2022: Industry Measures – Executive Summary](#)). In organizations with significant megavendor (including Microsoft) software portfolios, lower-priced third-party support can offset a significant percentage of the year-over-year annual maintenance and support increases typically imposed by these software vendors.

According to the IT Key Metrics Data, third-party software support deals comprise more than 20% of all technology deals negotiated across North America, EMEA and Asia/Pacific (APAC). Gartner believes that, for Microsoft specifically, between 10% and 15% of customers with some sort of support agreement use third parties and the rest use Microsoft directly. Based on client inquiry trends, Gartner believes that market share for third-party providers of Microsoft support will be 25% to 30% by year-end 2026.

When third-party support is a feasible alternative, the significant opportunity for software maintenance and support cost reduction can be a “quick win.” For organizations challenged to meet cost-saving goals and initiatives, third-party support can help keep budgets flat by eliminating the ongoing year-over-year Microsoft product maintenance and support increases.

Gartner sees three primary types of vendors competing in this market:

- **Service providers:** These providers sell value-added services, but not necessarily products. Alternatively, product sales are not their primary business.
- **Software resellers:** Most organizations purchase their hardware and software through a software reseller. Squeezed by lower margins on hardware and software, resellers have long looked to provide more profitable services to boost their bottom lines. However, selling support for Microsoft products puts resellers in the uncomfortable position of competing with their biggest partner for support business. This dynamic can lead to quieter marketing efforts, and depending on the relationship between the customer, the reseller and Microsoft, the reseller may not even mention that it sells such services.
- **Microsoft and its Cloud Solution Provider (CSP) partners:** CSP partners, many of which are also software resellers, must provide support for the Microsoft products they sell through the CSP program. This positions them well to leverage their support capabilities to also provide support for the Microsoft products they don't sell through CSP.

Service Scope

Microsoft has a broad catalog of products, and it supports all of them based on its published support life cycle. ⁵ Third parties may not support every Microsoft product, and organizations using more niche products should ensure that the providers they are considering support all their products that require support. Conversely, third-party providers sometimes provide support for products that Microsoft no longer supports, so organizations that require support for defunct products (not including fixes or updates) may look to third parties. Most offer additional services similar to Microsoft's, including services similar to Designated Support Engineering, workshops and training sessions. Further, the scope of some providers' services extends beyond Microsoft to other vendors. Organizations looking for a single provider to support multiple vendors should consider third parties.

Industry Adoption

At this time, we do not see any specific industries that are more or less likely to seek third-party support for Microsoft products. However, organizations that consider Microsoft products mission-critical are less likely to evaluate third parties and more likely to stay with Microsoft. Organizations that purchase Microsoft Enhanced Solutions for Unified Support, such as Azure Rapid Response or Support for Mission Critical, are least likely to find comparable services from third-party providers. These Microsoft services include escalation to Microsoft product engineers, which cannot be replicated by a third party.

Geographic Coverage

A significant differentiator among Microsoft product support providers is the geographies that they primarily serve. Thus far, all of the providers we found are based in North America. While some consider support requests from other time zones to be "regular business hours," they may not have staff outside of North America, making escalation more difficult outside North American business hours. Conversely, entities that have the requirement to speak only to U.S. citizens (such as the U.S. federal government) may find these options attractive.

An issue related to geography is language. Even Microsoft does not guarantee support for all products in all languages. Language choice is dependent on the support center servicing the request. Very few third-party providers offer support in languages other than English. This factor can be limiting for organizations that need truly global support. The advent of translation tools is helping.

Pricing

Pricing for Unified Support starts at 8% to 10% of an organization's purchases from Microsoft. Most third-party providers sell hours that can be used for either proactive or reactive support and that are valid for 12 months from purchase. Hourly rates typically range from \$200 to \$300.

Representative Vendors

The vendors listed in this Market Guide do not imply an exhaustive list. This section is intended to provide more understanding of the market and its offerings.

Market Introduction

The list in Table 1 includes representative Microsoft support vendors and their Microsoft support service offerings. Although these representative vendors may form part of a provider shortlist, this list is in no way intended to promote or prioritize their services compared with those of vendors that are not included. A companion tool is also available that includes additional data related to these vendors and their capabilities (see [Tool: Vendor Identification for Microsoft Product Support Services](#)).

Table 1: Representative Vendors of Microsoft Product Support Services

Vendor ↓	Headquarters ↓	Year Founded ↓
Definity First	San Diego, CA, U.S.	2004
IBM	Armonk, NY, U.S.	1911
IncWorx	Schaumburg, Illinois, U.S.	2001
Insight	Chandler, AZ, U.S.	1988
Microsoft	Redmond, WA, U.S.	1975
Sentinel Technologies	Downers Grove, IL, U.S.	1982
SHI	Somerset, NJ, U.S.	1989
SoftwareONE	Stans, Switzerland	1985
US Cloud	St. Louis, MO, U.S.	1996

Source: Gartner (July 2022)

Market Recommendations

Five Steps to Evaluate Microsoft Support Provider Offerings and Capabilities

Those looking to evaluate Microsoft support offerings and engage with these providers should take the following steps to verify the viability of third-party support (compared with support directly from Microsoft) and to conduct a risk-benefit assessment:

- **Step 1: Affirm that you need an annual contract for support.** How many incidents per year require support from a provider to resolve? How long have they taken to resolve without a support provider? What is the cost of *not* having a support provider?

- **Step 2: Determine whether you require support from Microsoft or whether a third party can provide the necessary support.** Perform a risk assessment to determine how critical various Microsoft products and online services are to your organization. A third-party provider may resolve issues faster or slower than Microsoft when it can resolve the issue by itself. However, if the provider must escalate to Microsoft to resolve an issue, there will likely be an extra lag in resolution. If you require Microsoft Enhanced Solutions like Azure Rapid Response and Support for Mission Critical, which provide expedited escalation to Microsoft product teams, it is unlikely a third party can provide comparable services.
- **Step 3: Send RFPs to providers based on the recommendations in this Market Guide.** Request service, SLA and price lists that match your specific requirements for Microsoft product support. In addition, request references from customers whose main product support requirements match yours.
- **Step 4: If you decide to try third-party support, run a proof of concept.** Evaluate the services by purchasing a small block of hours, preferably while your Microsoft support contract is still in effect, so that you can compare the two.
- **Step 5: Negotiate with both Microsoft and the third party to get your best deal.** Ensure both the proactive and reactive services you desire are included in each proposal. This does not mean the proposals should be equivalent; Microsoft may include services in the base Unified Support contract that you believe are not needed by your organization. Remember that Professional Direct (which is available only for Azure and Dynamics 365) is an alternative Microsoft support offering that may be less expensive than Unified Support.

Evidence

¹ Based on inquiries about Unified Support taken between January 2021 and January 2022, approximately 60% of Gartner clients express dissatisfaction with the quality and/or price of Microsoft Unified Support.

² Based on Gartner client inquiries about Microsoft product support taken between May 2018 and May 2022.

³ Based on Gartner client inquiries and discussions with third parties and Microsoft during 2021.

⁴ [Microsoft Premier Support End of Sale Date](#), Microsoft.

⁵ [Microsoft Lifecycle Policy](#), Microsoft.

Note 1: Representative Vendor Selection

Gartner believes there are at least 20 providers capable of providing support for Microsoft products for global customers. The ones in this research have been referenced most frequently by clients in Gartner inquiry, and highlighted by Gartner's research associates who cover this market segment.

Note 2: Gartner's Initial Market Coverage

This Market Guide provides Gartner's initial coverage of the market and focuses on the market definition, rationale for the market and market dynamics.

Recommended by the Authors

Some documents may not be available as part of your current Gartner subscription.

[3 Steps to Strategic Negotiation With Microsoft](#)

[Magic Quadrant for Outsourced Digital Workplace Services](#)

[Market Guide for Independent Third-Party Support for IBM, Microsoft, Oracle and SAP Software](#)

[How CIOs Can Use Gartner's S-A-V-E Methodology to Launch and Sustain IT Cost Optimization Programs](#)

[What You Need to Know Before Negotiating a Microsoft Unified Support Agreement](#)

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Microsoft	Redmond, WA, U.S.	1975
Sentinel Technologies	Downers Grove, IL, U.S.	1982
SHI	Somerset, NJ, U.S.	1989
SoftwareONE	Stans, Switzerland	1985
US Cloud	St. Louis, MO, U.S.	1996

Source: Gartner (July 2022)