

## Market Guide for Microsoft Product Support Services

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

Microsoft products often represent a major share of an organization's software and SaaS infrastructure, and Unified Support is often the default support offering. Sourcing, procurement and vendor management leaders can use this guide to evaluate alternative support solutions to optimize value.

### Overview

#### Key Findings

- Microsoft does not require organizations to purchase support for security fixes, product updates or maintenance.
- The cost of Microsoft Unified Support usually increases annually, and many customers struggle to justify and/or afford it.
- Third-party providers currently have a 15% share of the Microsoft software support market. Gartner projects this to grow to 25% by 2027.
- SPVM leaders are often unsure of the options available, the evaluation criteria and the ramifications of using a third-party provider.

#### Recommendations

SPVM leaders responsible for contracting Microsoft support services should:

- Examine the features and pricing of Microsoft's support offerings, and work with Microsoft to obtain transparent and predictable pricing.
- Evaluate third-party support offerings (and their references) to identify credible alternative providers that could save your organization 30% to 60% versus Microsoft Unified Support.

- Protect your organization from downtime by analyzing the risks of using a third-party support vendor.
- Use Gartner's five-step process for evaluating third-party Microsoft support service providers. Verify the viability of third-party support (including delays that could occur when escalation to Microsoft is required) against direct Microsoft support, and conduct a risk-benefit assessment.

## Strategic Planning Assumption

By year-end 2027, market share for third-party providers of Microsoft support will be 25%, up from 15% in 2023.

## Market Definition

Gartner defines Microsoft product support services as support for Microsoft products, delivered either directly from Microsoft or indirectly from an alternative support provider. Technical support services for Microsoft products help customers in medium to large organizations resolve operational problems. (Smaller organizations likely use free support.) Gartner considers any provider of support services for Microsoft products — including Microsoft itself — to be part of the market for Microsoft product support services.

The typical customer looking at alternatives to Microsoft support is doing so to mitigate the high cost of Microsoft's Unified Support, potentially saving 30% to 60%. The market for alternative Microsoft support providers began to see increased interest in 2017 when Microsoft replaced Premier Support with Unified Support, which in many cases was a far more expensive support offering. Unified Support is priced as a percentage of product purchases. The percentage applies to the entire direct Microsoft licensing estate and starts at:

- 7.5% for products in the user category
- 10% for products in the Azure or server category

Unified Support 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 for proactive or reactive services. 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.

Third-party support providers typically offer other value-added services, such as support for products from other vendors, including IBM, Oracle or SAP. As a result, customers can simplify operations by consolidating on a single provider for multivendor support. While Microsoft will work with other vendors to resolve issues with Microsoft products, it does not support other vendors' products.

The standard capabilities for this market include:

- Microsoft product support services provided by skilled technicians
- Proactive support (engineering services, workshops and trainings) and reactive support
- Product installations
- Bug finds and fixes
- Performance tuning

## Market Description

Microsoft differs from most software and service providers in one important aspect: Although many providers bundle maintenance, support, and bug and security fixes, Microsoft sells maintenance and support separately and includes bug and security fixes in the software purchase price. Online service support is 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
Included: Bug and Security Fixes	Included: Continual Updates <sup>a</sup>	Required: Maintenance, Including Fixes and Support <sup>b</sup>	Included: Continual Updates <sup>a</sup>
Optional: Software Assurance (Maintenance)	Included: Basic Support	Optional: Advanced Support	Included: Basic Support
Optional: Incident-Based Support	Discussed in This Research: Professional Direct Support		Required: Advanced Support <sup>b</sup>
Discussed in This Research: Unified Support	Discussed in This Research: Unified Support		
Optional: Enhanced Solutions	Optional: Enhanced Solutions		

Source: Gartner

<sup>a</sup> Continual updates also include bug and security fixes.

<sup>b</sup> The policy varies by the vendor.

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Because bug and security fixes are included in Microsoft product purchases, customers can source advanced product support from other providers.

Microsoft is the obvious vendor to provide support for its own products and has thousands of support customers. However, Microsoft does not always meet customer expectations for level of support, speed of response and resolution, or price. Approximately 60% of recent Gartner inquiries on Microsoft support indicated dissatisfaction due to support quality, price or both. <sup>1</sup>

## What You Need to Know

Most organizations (aside from some public sector customers) have made the shift from Microsoft Premier Support to Unified Support. Many saw price increases of 200% or more, often creating budget shortfalls of tens or hundreds of thousands of dollars. Once an organization has transitioned to Unified Support, increases ranging from 20% to 50% (year over year) are not unusual. This is especially true as organizations move to the cloud, increase their Microsoft Azure spend, and move from lower-cost Office or Microsoft 365 (M365) bundles to more costly ones. <sup>2</sup>

Gartner estimates that 75% to 80% of medium and large Microsoft customers use Unified Support, while the other 10% to 15% use a third-party provider. <sup>3</sup> Smaller customers are more likely to use free support or get their support from a consultant or systems integrator.

## Market Direction

Since Microsoft's 2017 launch of Unified Support, the volume of inquiries to Gartner regarding support services for Microsoft software products has averaged a 44% compound annual growth rate. This rise in interest was driven by upward pressure on the price of Microsoft Unified Support as a result of:

- 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
- The steady decrease in the Software Assurance 24x7 Problem Resolution Support benefits (SABs) that Microsoft awarded to customers based on spending, culminating in their elimination in February 2023
- 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 [How to Negotiate a Microsoft Unified Support Agreement](#))

Gartner finds that the majority of organizations that remain on Microsoft Unified Support do so based on initial discounts, credits or remaining SABs. <sup>3</sup> However, these organizations get more serious about considering alternative providers in each successive renewal as the price increases, the discounts decrease and SABs are removed.

This dynamic will lead to significant growth for third-party support, which could result in changes to how Microsoft prices Unified Support in an attempt to recapture lost customers.

## Market Analysis

Gartner's 2023 IT Key Metrics Data shows that software, SaaS and cloud (all categories Microsoft participates in) represent 34% of organizations' IT spending across industries (see [IT Key Metrics Data 2024: Industry Measures – Executive Summary](#)). In organizations with significant megavendor (including Microsoft) software portfolios, lower-priced third-party support can safely offset a significant percentage of the year-over-year annual maintenance and support increases typically imposed by these larger software vendors.

According to the [IT Key Metrics Data 2024: Applications Measures – Analysis](#), 18% of application spending in 2023 was on external services, with 42% of that being on support. Gartner estimates that, for Microsoft specifically, 15% of customers with a support agreement use third parties and the rest use Microsoft directly. Based on client inquiry trends, Gartner believes that by year-end 2027, market share for third-party providers of Microsoft support will be up to 25%.

Customers dissatisfied with Microsoft seek better quality support, but thus far, there is no proven track record of third parties providing better support than Microsoft. It can be difficult – but not impossible – for a third party to provide better support than the manufacturer.

Much of Microsoft's front lines of support have been outsourced, and many criticize the escalation process as taking too long. A third party that increases skills, closes on first call and streamlines escalation processes could be an improvement over current Microsoft support. Of course, most third-party providers must escalate incidents to Microsoft when they cannot resolve them. At that point, the customer's experience will be similar to having support directly from Microsoft, if not slightly worse (for example, due to a delay in getting to Microsoft or having the third party involved in Microsoft remediation processes).

When third-party support is a feasible alternative, the significant opportunity to reduce costs for software maintenance and support can be a "quick win." For organizations challenged to meet cost-saving goals and initiatives, third-party support can help keep budgets flat by mitigating the often 20% to 40% year-over-year Microsoft product maintenance and support increases.

Gartner sees three primary types of third-party support vendors competing in this market:

- **Service providers:** These providers sell value-added services, but not necessarily products. They may be a Microsoft partner or an independent service provider (for more information on this difference, see [Market Guide for Independent Third-Party Software Support for Megavendors](#)). Support is often their entire business model, aiming to offer comprehensive Microsoft support across the whole stack, which allows a client to replace Unified Support. Options are also offered a la carte, such as buying Designated Support Engineering instead of adding that service onto the Unified Support agreement with Microsoft.
- **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 support may not be as robust as that offered from a service provider due to competing resources with the reseller side of the house. They often use their current capabilities that are offered to Cloud Solution Provider (CSP) partners, which are not scaled for customers seeking Unified Support replacement. This results in tickets being escalated to Microsoft instead of handled in-house.
- **Microsoft's Cloud Solution Provider 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 do not sell through CSP.

Although each of these types of vendors offers Microsoft support, they should not necessarily be considered a full replacement for Unified Support. The decision of obtaining support from a service provider or a software reseller comes down to what their support offering actually entails: a full Unified Support replacement or pieces of Unified Support sold as value-added services.

## Service Scope

Microsoft has a broad catalog of products, and it supports them based on its published support life cycle. <sup>4</sup> Third parties may not support every Microsoft product, and organizations using more niche products should ensure that potential providers 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 and subscribe to Azure Rapid Response or Support for Mission Critical are less likely to evaluate third parties, which cannot offer those services. These Microsoft services include escalation to Microsoft product engineers, and this cannot be replicated by a third party.

## Pricing

Pricing for Unified Support starts at 7.5% to 10% of an organization's purchases from Microsoft. Most third-party providers of Microsoft support services sell their services by the hour, by the seat, by product or by the server. Hourly support is usually less expensive, but it has the same rationing issue that Premier Support had. These hours can be used for either proactive or reactive support and are valid for 12 months from purchase. Hourly rates typically range from \$250 to \$700, but higher rates may include account management time.

Seat-, product- or server-based pricing may be more expensive than hourly support, but it has fewer limitations, and the vendor is taking the risk of heavy use by the customer. Most customers expect to save 30% to 60% by going with a third-party provider instead of Microsoft Unified Support. In fact, many customers will not take the risk of using a third-party provider unless they expect savings in the 50% range. <sup>2</sup>



## 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

Gartner considers any provider of support services for Microsoft products – including Microsoft itself – to be part of the market for Microsoft product support services. Table 1 includes a representative sample of Microsoft support vendors and their Microsoft support service offerings (see Note 1). 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 Support Services**

(Enlarged table in Appendix)

Vendor ↓	Headquarters ↓	Type of vendor ↓
<a href="#">bluesource</a>	London, England, U.K.	Service provider and reseller
<a href="#">CDW</a>	Vernon Hills, Illinois, U.S.	Service provider and reseller
<a href="#">Converge Technology Solutions</a>	Gatineau, Quebec, Canada	Service provider and reseller
<a href="#">Definity First</a>	San Diego, California, U.S.	Service provider and reseller
<a href="#">IBM</a>	Armonk, New York, U.S.	Service provider
<a href="#">IncWorx Consulting</a>	Schaumburg, Illinois, U.S.	Service provider
<a href="#">Insight</a>	Chandler, Arizona, U.S.	Service provider and reseller
<a href="#">Microsoft</a>	Redmond, Washington, U.S.	Service provider and reseller
<a href="#">Sentinel Technologies</a>	Downers Grove, Illinois, U.S.	Service provider and reseller
<a href="#">SHI</a>	Somerset, New Jersey, U.S.	Service provider and reseller
<a href="#">SoftwareOne</a>	Stans, Switzerland	Service provider and reseller
<a href="#">Spinnaker Support</a> (as of late 2023, in pilot)	Greenwood Village, Colorado, U.S.	Service provider
<a href="#">US Cloud</a>	St. Louis, Missouri, U.S.	Service provider

Source: Gartner (January 2024)

## 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. 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. However, third parties may offer some services that Microsoft does not – for example, support for end-of-life products that Microsoft no longer supports.
- **Step 3: Send RFPs to providers based on the recommendations in this Market Guide.** Request service, SLAs (including SLAs for escalation to Microsoft) and price lists that match your specific requirements for Microsoft product support. In addition, request references from customers whose main product support requirements resemble yours.
- **Step 4: If you decide to try third-party support, run a proof of concept.** For comparison, evaluate the services by purchasing a small block of hours, preferably while your Microsoft support contract is still in effect.
- **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 for limited quantities of M365, Azure and Microsoft Dynamics 365) is an alternative Microsoft support offering that may be less expensive than Unified Support.

## Evidence

<sup>1</sup> Based on inquiries about Unified Support taken between September 2022 and September 2023, approximately 60% of Gartner clients express dissatisfaction with the quality and/or price of Microsoft Unified Support.

<sup>2</sup> Based on Gartner client inquiries about Microsoft product support taken between September 2021 and September 2023.

<sup>3</sup> Based on Gartner client inquiries and discussions with third parties and Microsoft during 2023.

<sup>4</sup> [Microsoft Lifecycle Policy](#), Microsoft.

## Note 1: Representative Vendors

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 have been highlighted by Gartner's research associates who cover this market segment. The vendors listed in this Market Guide do not imply an exhaustive list. Unlike a Gartner Magic Quadrant, the Market Guide includes a "representative" sample of a variety of providers in the Microsoft support market.

## Document Revision History

[Market Guide for Microsoft Product Support Services, Worldwide - 3 August 2022](#)

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## Recommended by the Authors

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

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

[How to Negotiate a Microsoft Unified Support Agreement](#)

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

[Market Guide for Independent Third-Party Software Support for Megavendors](#)

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

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<a href="#">IBM</a>	Armonk, New York, U.S.	Service provider
<a href="#">IncWorx Consulting</a>	Schaumburg, Illinois, U.S.	Service provider
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