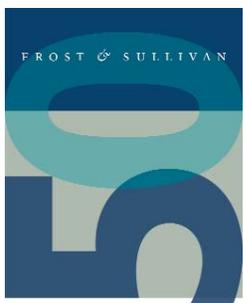


On the Road to Pervasive Video

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“We Accelerate Growth”

“Words convey meaning. A picture is worth a thousand words. A video says it all,” said Marthin De Beer, senior VP of Emerging Technologies, in his locknote speech at the 2010 Cisco Collaboration Summit. Accompanying the statement was a still image of a young man snatching an elderly woman’s purse, followed by a video of him pulling her to safety away from an oncoming vehicle. De Beer went on to talk about a “major market transition,” which he calls “pervasive video.”

Cisco is not the only enterprise communications vendor betting on the growth of video. Avistar, a desktop videoconferencing provider, predicts that starting in 2011, “videoconferencing will be virtually everywhere,” as Virtual Desktop Infrastructure (VDI) and software-based solutions provide users with ubiquitous access to visual communications. Dialogic, a multimedia and call control technology vendor, asserts that “video is the new voice.”

A plethora of market participants, including video-centric vendors and telephony incumbents, launched new videoconferencing applications, devices and solutions in 2010. The M&A and partnership activity in this space provides further evidence that vendors are repositioning themselves for competition in an evolving marketplace. Cheaper, better and ubiquitous video is becoming a critical element of communications and collaboration portfolios and a key competitive factor for communications vendors.

But as videoconferencing solutions proliferate, are customers ready to adopt video on a large scale? And why now? What are the market forces pushing this technology into the spotlight today?

Frost & Sullivan’s 2010 Investment Decisions in Communications and Collaboration Products and Services end-user study, which targeted 200 North American C-level executives, reveals that 81 percent of respondents are aware of videoconferencing technologies and tools, compared to 73 percent for Web conferencing and 68 percent for audio conferencing. Usage of the three technologies within respondent organizations appears to be about equal, with 51 percent for video, 53 percent for Web and 50 percent for audio. Given the maturity, penetration levels and cost advantages of Web and audio conferencing, it is surprising to see videoconferencing awareness and usage on par with those two.

The key is in understanding the broader context of video beyond enterprise communications. Video has become pervasive in the consumer space, with video streaming, video search, video on demand and consumer video telephony, including mobile video, rapidly gaining mindshare among individual users. De Beer gave a series of examples in his presentation demonstrating the ubiquity and versatility of video: YouTube is now the number two search engine in the world, the tablet market is exploding, and video has just surpassed all other applications in terms of network traffic. A new generation of tech-savvy prosumers using some form of video in their personal lives is now demanding the same experience and capabilities in the business environment.

Growing end-user influence on enterprise IT decision-making, a trend known as consumerization of IT, is likely to have a strong impact on video adoption. Consumer video applications such as YouTube or Skype will continue to creep into the business space as individual users search for product information on the Internet or try to stay connected while traveling. Mobile video is also likely to become a key business tool as soon as it gains broader consumer adoption.

But the growing popularity of simple, ubiquitous and inexpensive consumer video will not immediately translate into demand for high-end enterprise videoconferencing solutions. Some video-aware professionals will demand business-grade videoconferencing capabilities to leverage the full power of video to improve customer service or enhance employee productivity. However, C-level decision-makers are not likely to invest in complex and expensive infrastructure to deliver video to the entire organization. Only after new forms of cost-effective and easy-to-use, yet feature-rich and secure, videoconferencing become widely available are businesses likely to consider deploying video on a larger scale. Next month, I plan to discuss more democratic forms of video and flexible delivery models that have the potential to turn it into a truly mainstream business technology.



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