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Frost & Sullivan Research: World Videoconferencing Infrastructure Market

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"We Accelerate Growth"

Videoconferencing has the potential to transform businesses by facilitating enhanced employee communication, more productive collaboration, and better access to information—inside and outside the organization. Only a few years ago, the costs and complexities associated with videoconferencing deterred its use, and enterprises had to solely rely on third-party providers to manage these solutions. Though management issues remain, the market has since seen large improvements in terms of affordability, evolution of standards, and interoperability. Most MCUs today offer interoperability between H.323, SIP, ISDN, and V.35 protocols and seamless connection between SD and HD endpoints. Companies are adopting UC and real-time collaboration in order to connect with their customers, partners and suppliers, taking videoconferencing beyond the enterprise firewalls.

This is having a very positive affect on the market. In 2009, the world videoconferencing infrastructure systems market revenue grew by 27.1 percent, to reach $440.6 million. This growth was driven by the continued value enterprises seen in bringing videoconferencing equipment in-house and outsourcing the management of these systems to video-managed service providers. The infrastructure market is expected to grow at a compound annual growth rate (CAGR) of 17.1 percent, to reach revenues of $1,134.9 million by 2015. The small incremental costs associated with adding new videoconferencing equipment to an IP network, and the ability of organizations to amortize network costs across multiple applications, have made it simpler for organizations to justify their videoconferencing expenditures.

Notably, MCU port shipments grew, largely driven by the growth in IP-based videoconferencing, which is making videoconferencing truly multi-modal. As a result, enterprises and service providers continue to deploy gateways to connect disparate networks and end-user devices within videoconferencing environments. Usage of gatekeeper software deployments increased as enterprises integrated additional telephony-like features in their video environments. We foresee more sustained growth patterns as enterprises realize the business value of video and its potential impact on improving productivity, sales and profitability. Enterprises continue to buy video-bridging infrastructure as they migrate from standard-definition (SD) to high-definition (HD) systems, deploy desktop videoconferencing, and need to accommodate changes in underlying network architectures.

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