Clouds on the horizon

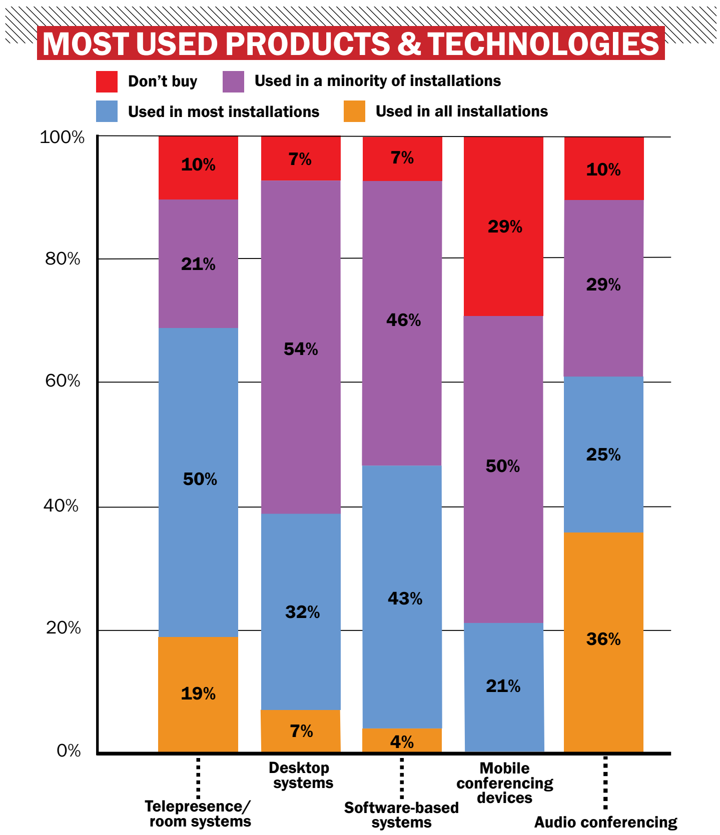
Productivity, collaborative working and bringing off-site people into meetings are making video conferencing more popular than ever. But the mix of products and technologies being used is evolving very slowly, says *Peter Lloyd.*

Waves of innovation, including video over IP, high definition and telepresence-quality audio and video, have secured the rack space reserved for the video conferencing sector's biggest-selling products, 'room systems' and hardware-based bridges for connecting systems together in multi-point sessions.

But both product categories are now under threat. "Hardware video codec sales are likely to be no more than 10-20 per cent of what they are now in five years' time", says Tukans md, Andrew Popely. "A standards-based codec is a dedicated appliance that was developed to get round a problem – how we send video over telephone lines. This doesn't exist anymore."

Popely's slightly extreme view is philosophically, if not numerically, in tune with some of the numbers being bandied around by market analysts who are predicting a steady decline in classic vcon endpoint sales. The market is not being helped by the fact that too many dedicated video conferencing suites are under used and by a trend towards the installation of multi-purpose meeting rooms by user organisations which are all too aware of the cost of their real estate.

"Some people who want ultra-security will still want a hardware-based codec, but why should large corporates spend £10k on a dedicated piece of hardware when they can spend five on a decent camera and audio system making the room multi-purpose?" says Popely. "People like the idea of a solution that allows them to use expensive space for more than one application. It's not all about collaboration. One day someone walks in and does a Skype call. The next, someone else may screen a presentation. The day after another records themselves running a mini training lecture for staff – all with the same hardware."



Room systems are still dominant with 69 per cent of respondents saying they are used in all or most installations. Audio conferencing is also strong with a 61 per cent all/most response. ***Source: Online AV Magazine research April 2013***

But not everyone is convinced that room systems are going to be defunct any time soon. Vendors need to be developing new end user business rather than just selling to existing integrators, says Imago Micro md Ian Vickerage who has seen the distributor's Polycom room system sales buck the market: "I don't think people are going to sit in a meeting room or round a desk with individual tablets," he adds. "When you have a meeting room you need a big screen, sensible speakers, microphones and decent codecs."

And under-utilisation and penetration are different subjects – Vickerage estimates only five per cent of meeting rooms are equipped with video conferencing systems, and adding the ease of use and accessibility of linked-in PCs and tablets can only drive usage.

The doomsayers might do well to remember that technology is lowering room system prices, says Polycom's Ray McGroarty, who points to Infonetics research which says the global enterprise video conferencing market will grow to reach $5bn by 2015, compared with $2.2bn in 2010.

Making access universal

"Although we think mobile video conferencing is set to increase further, this doesn't mean an end to room-based systems," says McGroarty, Polycom's director, enterprise and cloud market development, EMEA, solutions marketing. However he adds that: "In 2013 and beyond it's all about universal access and more people making video a part of everyday business life".

Connectivity is definitely seen as key to achieving this, with room systems used to cohere meetings with video links to the outside world of laptops, phones and tablets.

"There is definitely still a market for traditional video conferencing rooms with MCUs, but integrating collaboration systems such as Webex (with them) will enhance their flexibility and open them up to a larger audience on desktop and mobile devices," says Cisco TelePresence Partners business development manager, Steve Pryor.

Both Cisco and Polycom are working to extend standards-based conferencing out to off-premise or software-based users, but client organisations have so far been slow to take up the offer because of the not-inconsiderable cost (around £4,000 a port) of extending their current hardware-based MCUs.

"The mobile and desktop market is being stifled because it is a lot more expensive than people expected it to be. I don't think people are going to spend $6,000 on a new bridge port to connect to an iPhone," says Vickerage who maintains an alternative is SVC technology. "It gives the mobile/desktop user a better experience at a tenth of the cost, but has grown slowly because SVC vendors have failed to articulate their arguments to the end user. Some manufacturers are trying to convince the channel it is a good idea, but the channel doesn't think it's sensible for them to sell product that costs a tenth of what they already sell," he adds.

Unified we stand

This takes us back to user demand and, in their turn, unified communications (UC) and collaboration.

UC is at the top of most vendors' agenda, with everyone rushing to engage with products, such as Microsoft Lync: "Video conferencing is »

RESEARCH

Fashions change

» In tune with the changing market, this year's AV video conferencing survey attracted twice as many responses as the 2012 edition. Helpfully, **50 per cent** of these were from end users and consultants, rather than integrators or equipment suppliers.

Equipment used now and in the future

» The two products and technologies most in use now are telepresence/ room systems and audio conferencing systems and software. Full data is given in the accompanying charts, but weighting the results (3x percentage for "used in all installations", 2x for "used in most installations" and 1x for "used in some installations") sees audio conferencing top of the currently most-used technologies list at **185** points, followed by telepresence/room systems with **174** points. Software-based conferencing systems come next with **142** points, followed by dedicated desktop systems (**139**) and mobile conferencing devices (**93**).

Fast forward to the products and technologies most likely to be brought into use over the next two years and the picture changes – software-based conferencing systems come out top at **196** points, followed by telepresence/ room systems on **168** points which just squeaked second place from mobile conferencing devices on **167** points and dedicated desktop systems on **165** points. Specific audio conferencing systems slipped back into fifth place on **161**.

The points differences between most of the technologies are statistically too close to make hard judgements between them, but the overall message is clear – both users and suppliers expect software-based systems to replace the use of hardware 'appliances' over the next few years.

Types of conferencing activity

» Applying the same weighting systems to the types of conferencing activity being carried out reinforced the products and technology findings. The most rapid increases in usage were for general-purpose meeting rooms with vcon connectivity; mobile/ desktop conferencing linked to meeting rooms; peer-to-peer mobile/ desktop conferencing; and web conferencing. The most significant decline highlighted by the research was in the use of dedicated.

The weighted results (3x for usage increasing rapidly, 2x for usage increasing gradually, 1x for usage remaining the same and -1x for usage decreasing) came out as web conferencing **228**, mobile/desktop **224**, mobile/desktop linked to meeting rooms **213**, general purpose meeting rooms **212**, and dedicated conference suites **106**.

Taken as a whole, the figures bear out industry assumptions about the use of mobile and desktop links to meeting room systems being important (despite bridging cost issues). The decline in interest in dedicated suites is no surprise, although the level of discontent with them is higher than anticipated and has certainly accelerated since last year's research was carried out.

Conferencing and UC

» We asked our survey participants to what extent they thought future conferencing activity would be linked to large US roll-outs and scored their responses (wholly or slightly agree, slightly or wholly disagree) to key statements about UC and conferencing.

The highest levels of agreement were with the two statements that "most conferencing will become part of larger organisation-wide UC activity" and that "conferencing will be increasingly linked to collaborative activity". A high proportion of respondents also agreed that "mobile conferencing will be used to allow more flexible working".

The proposition that "different functions or departments will establish their own way of using conferencing" received a neutral response with the numbers of those agreeing slightly balanced out by those disagreeing. An overwhelming number of respondents disagreed with the idea that the use of mobile or desktop devices will replace room systems.

Most important developments

» We asked respondents about the importance of key technological developments.

86 per cent thought that "seamless connection between conferencing/ AV control systems and UC packages" was "very important" and **59 per cent** thought that the "ability to share content over networks without using video conferencing" was "very important" (with another **40 per cent** rating it as "useful"). "Availability of software/ cloud-based bridging services" was only rated as "very important" by **30 per cent** of respondents, with another **62 per cent** rating it as "useful".

Services and the cloud

» We asked survey participants which services they used now and were likely to use in the future. Currently, the most used facilities are bridging services (used by **55 per cent** of respondents), audio conferencing agency services (**52 per cent**), external call and network management (**41 per cent**) and video conferencing agency services. The biggest potential growth areas (defined as "will definitely use in future") are bridging services (**24 per cent**) and vcon agency services (**10 per cent**).

We also asked survey participants how likely they or their customers were to use cloud-based bridging and connection services. Opinion was mixed, with **55 per cent** saying they were likely to use them to meet specific needs and **34 per cent** saying they were likely to trial them over the next two years. Only seven per cent of respondents said they were likely to make heavy use of them.

So what did they perceive to be the major advantages or disadvantages of using cloud-based bridging and interconnection services? Responses fell into two distinct camps, with security and "sustained service levels" perceived as overwhelming disadvantages by corporate users and consultants. They were aware of the potential advantages – such as b2b and b2c reach, flexibility and low capex requirements – but governance and regulatory concerns ruled it out for a lot of users.

---

already an integral part of the UC environment," says McGroarty. "Video and audio need to be completely interoperable with UC systems, so users can launch video sessions easily from a familiar interface, a unifying hub."

Adds Pryor: "Extending the reach of meetings, and integrating collaboration tools such as IM, presence and data sharing will enable businesses to use appropriate resources (and to join) physical TP systems and rooms with web based participants."

But it is important not to dilute the meeting's communication quality. "People are demanding a flexible conferencing strategy," says Revolabs regional sales manager Russell Harpham. "The challenge comes in ensuring that the user gets a good call experience whether they are using an installed solution, a desktop, or a mobile device. Clients need to use the most appropriate audio and video peripherals."

They also need to decide whether they need both UC and collaboration, or collaboration on its own. "Business users have already got email and instant messaging capability and can have quick video chats," says Popely. "I don't know how much more unified it needs to get."

The biggest driver for change will be interactive and collaborative solutions, according to Darren Pitt, head of business services for Saville AV's southern region.

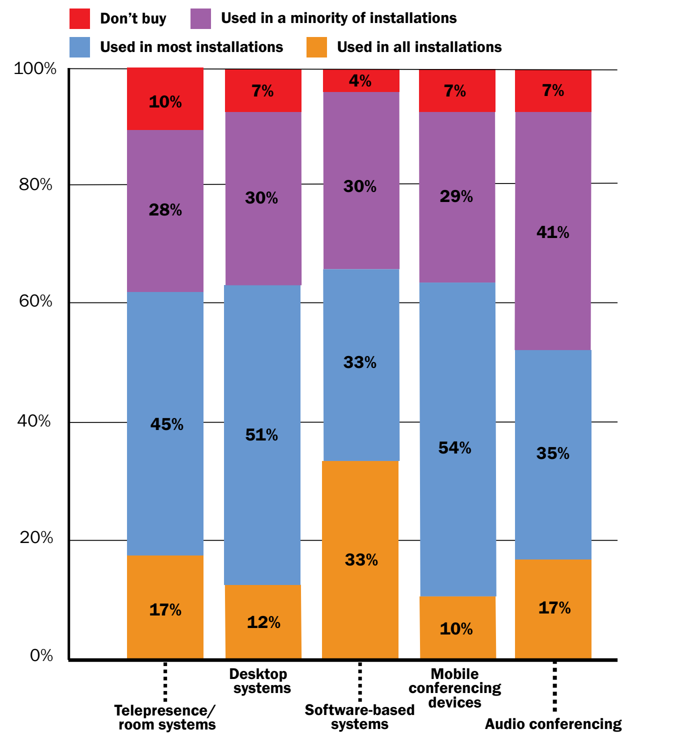
"Over the last two years corporate customers have identified collaborative systems providing a much more flexible way of working and holding meetings. This is now very much progressing in to the remote meeting space and collaboration over distance. New Lync solutions will aid the adoption of interactive systems as well as changing the video market. The use of interactive systems will increase as users move away from fixed meeting rooms to more open spaces in which groups can collaborate and share information," he says.

But, what's the point of being able to hear and see each other if one party still has to write everything up on a flipchart or dry whiteboard and then wait until the others on the link see it and then write their comments on their flipchart/dry whiteboard? asks Steljes head of product management, Sam Baker: "Users need to create a collaborative working environment where they can interact with each other in a more dynamic way. So Smart, for example, has worked with Microsoft to develop a solution for meeting rooms which supports realtime collaboration, so that presentations can be annotated and the annotated notes sent out immediately."

Services and the cloud

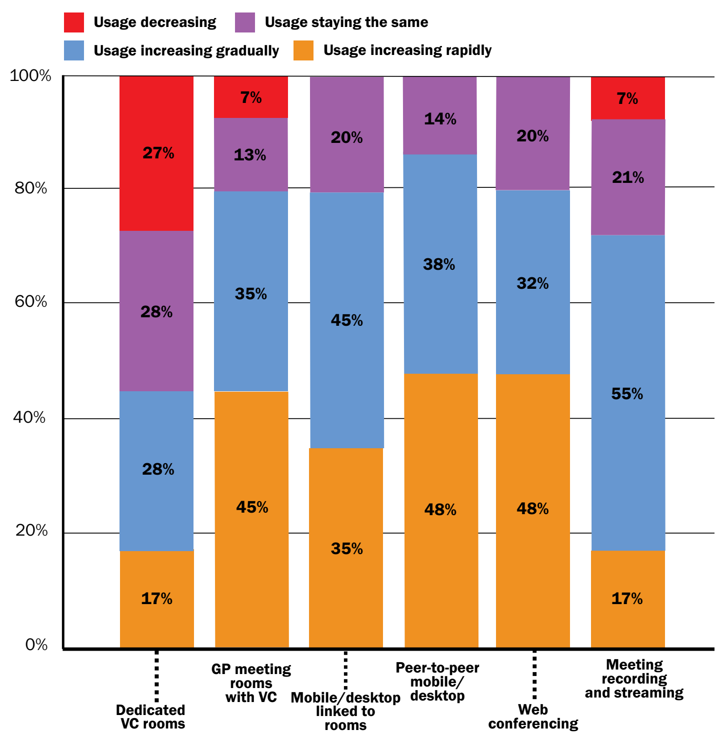
As the market moves away from standardised vcon-only solutions and one-size-fits-all conferencing, outsourced services – including cloud-based bridging and interconnection – are likely to become more, rather

TECHNOLOGIES TO BE USED IN FUTURE



When survey participants looked ahead they indicated that spends on software-based conferencing, mobile and desktop are likely to rise fastest over the next two years. *Source: Online AV Magazine research April 2013*

ACTIVITIES BEING USED MOST



The most rapid increases in usage are in informal video conferencing modes – web conferencing, peer-to-peer working, using VC as part of general purpose meetings and linking to external meeting participants. *Source: Online AV Magazine research April 2013*

than less, important.

"Collaboration technologies and enterprise telephony are now being talked about in the same conversation rather than being divorced from one another," says MeetingZone ceo, Steve Gandy. "As OCS and Lync mature you end up with enterprise telephony and collaboration in the same wrapper, so we have to be in both camps."

Originally an audio conferencing service provider, principally, MeetingZone has now moved firmly into the UC and collaboration (UC+C) market with the acquisition of Atia Communications, an MS Lync-accredited specialist in Windows IP telephony.

"People are increasingly using the same interface for their telephony and their conferencing/collaboration activities. It doesn't take away the role of the service provider, but moves the problem," says Gandy. "Users want high quality collaboration sessions. Although large corporations can have teams of IT managers looking after the network and the software solutions, the mid-market doesn't have that – so they need to rely on people like us to provide connectivity and network management."

Moving into Lync-based UC services is an obvious move for an audio conferencing specialist like MeetingZone, especially as the use of audio minutes bundled with data conferencing is scheduled to grow by 70 per cent over the next five years (against 5-10 per cent for standalone audio minutes), but Gandy argues that for the individuals calling collaborative meetings "the link between you and your hosting service, or the link between your offices becomes absolutely critical."

The quality of the performance, he suggests, will define the cloud services market which is now being promoted so heavily, but which is growing more gently than many of its proponents expected.

It's currently an area in which confusion reigns. Revolabs' Harpham, for example, thinks that "virtual bridges do not provide professional video and audio quality at the highest level", while Saville AV has launched a managed cloud-based video service "to offer it to our clients when they are between stages in their infrastructure investment and need to implement a short- to medium-term flexible solution," says Pitt.

But once flexible working becomes the norm and vendors come up with simpler tariff structures, what's not to like about virtual bridges that allow any kind of interconnection to be made without incurring capital investment?

"There is definitely still a market for traditional video conferencing rooms with MCUs, but integrating collaboration systems such as Webex (with them) will enhance their flexibility."
Steve Pryor
Business development manager, Cisco TelePresence Partners

"People are demanding a flexible conferencing strategy."
Russell Harpham
Regional sales manager, Revolabs

"The cloud provides tremendous opportunities," says Ashton Bentley director Roger McArdell. "It allows us to offer a video conferencing solution that can be up and running in less than an hour which is simple to use, cost-effective and reliable. Isn't this the way it always should have been?" ■

Peter Lloyd has been a business journalist for 40 years. His work with the AV and broadcast technology sector has included being Editor of AV Magazine for 30 years. Since retiring as AV's Editor-in-Chief in 2008, Peter has continued to work as a market analyst and commentator. He also speaks at AV industry and user events.