



Emerging Trends in Web Conferencing:
Consumerization and Convergence Reshape the Market

F R O S T  S U L L I V A N

A Frost & Sullivan Executive Summary Based on
“Analysis of the Global Web Conferencing Market,”
December 2014

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INTRODUCTION

The consumerization of IT is turning traditional ways of working and technology selection on its head. Users are bringing their devices and applications to work for simpler, faster, and better ways to communicate and collaborate. In a recent survey of IT staff and end users, two-thirds of the IT respondents and 58% of end users said they are willing to spend their own money on technologies that will make their work lives easier and/or more productive.¹ Frost & Sullivan research forecasts that the number of organizations providing Bring-Your-Own-Device (BYOD) and Bring-Your-Own-Application (BYOA) support will grow from 64% in 2013 to 79% in 2018. According to the same research, more personal (or personally liable) mobile devices will access enterprise IT resources than corporate-owned (or corporate-liable) devices within the next few years.²

In Web conferencing, these emerging technology trends continue to reshape the market. BYOA is leading to a proliferation of non-sanctioned applications forcing IT to evaluate user-led solutions in its decision-making process. This is turning technology users and line-of-business heads into key influencers and, in some cases, decision-makers. In 2015, underpinned by the impact of this consumerization, application convergence, cloud, mobility, and social technologies, the Web conferencing market remains a hotbed of activity undergoing significant shifts in technology and user adoption.

MARKET-SHAPING TRENDS IMPACT ADOPTION

According to recent research from Frost & Sullivan, the global Web conferencing market grew at a healthy 10.5% in 2013 to reach \$2.0 billion in revenue. Demand is growing rapidly and there is a surge in usage, mostly driven by wider deployments and growing use cases. Web conferencing software and services are forecast to grow at a compound annual growth rate (CAGR) of 8.8% from 2013 to 2018 to reach \$3.05 billion by 2018.³

Several emerging trends are driving the rapid uptake of Web conferencing and online meetings.

Exhibit I

TOP FIVE TRENDS IN WEB CONFERENCING	
User Experience	The biggest market disruptor today is the user itself. A growing emphasis on product design and usability is setting a strong growth track for adoption. Users want to take the “path of least resistance”—they do not want to get caught up in the complex solutions. Simplicity and usability are driving greater adoption.
Mobility	Mobile usage is exploding. Mobility is not an afterthought anymore. Users are demanding enhanced meeting features and control from devices of their choice. A mobile-first focus is ensuring rich functionality that is optimized for mobile devices and enabling the transition from content consumption to productivity over any device from anywhere.
Converged Communications	The move from audio-only meetings to rich Web and video conferencing is providing an impetus to growth, primarily driven by customers that do not want to spend separately on audio, video and Web collaboration. Users want a single invite, a single entry point, and a unified meeting experience.

1. “State of the Google Apps Ecosystem,” A Frost & Sullivan Research in Conjunction with the Cloud Alliance for Google Apps, February 2014.

2. Frost & Sullivan, “Bring Your Own Device (BYOD)—Key Trends and Considerations,” June 2013.

3. Frost & Sullivan, “Analysis of the Global Web Conferencing Market,” December 2014.

TOP FIVE TRENDS IN WEB CONFERENCING	
Smart Workflow Integration	Businesses are increasingly converging communications and collaboration applications with workflows to enhance the context within which information is shared. There is a growing focus on business outcomes and workflow enablement. By embedding collaboration in other applications, including line-of-business software and services, Web conferencing can deliver significant ROI and streamline the workflows to ensure rich collaboration for maximum efficiency.
Synchronous and Asynchronous	Convergence of synchronous and asynchronous tools is leading to all-in-one virtual workspaces that offer always-on messaging; instant voice, video, and Web multipoint meetings; and content sharing in a team-centric space. Built on the premise of the continuity of collaboration—everything in one place even after the meeting has concluded—virtual workspaces are expected to become a central repository for contacts, meetings and content, making collaboration stickier.

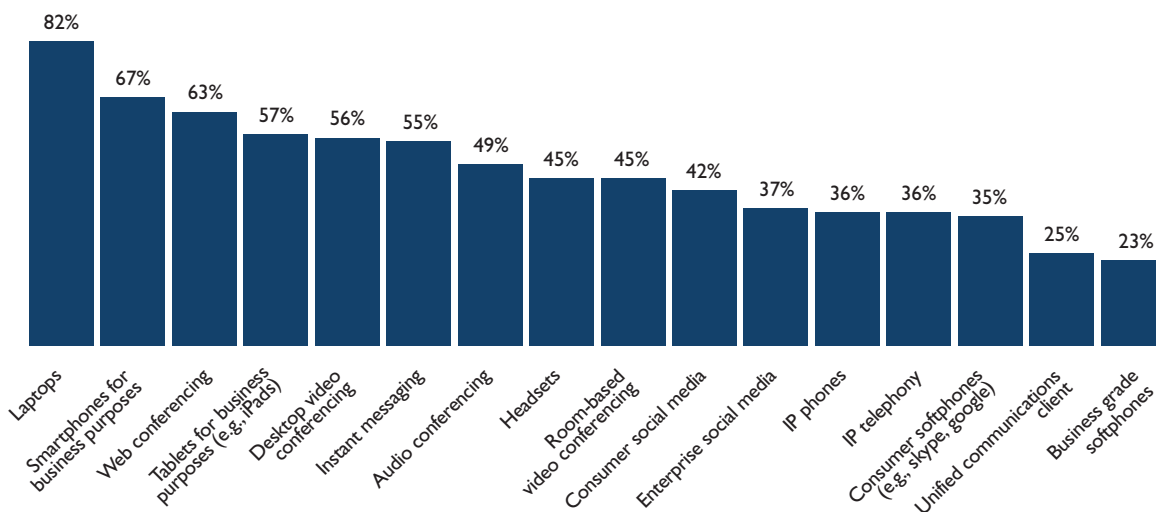
Source: Frost & Sullivan

As a result of these transformational shifts, Web conferencing is becoming a key business enabler that is connecting and engaging employees, customers, and partners as never before. Besides the market-transforming technology shifts, low pricing for converged collaboration services with unlimited audio and rich Web conferencing is saving significant costs for organizations and offering a compelling price-performance value.

In a 2014 Frost & Sullivan survey of North American decision-makers, respondents indicated high usage and need for Web conferencing within their business.

Exhibit 2: Growing Business Deployments of Web Conferencing

Current Usage of ICT Applications, North America, 2014



Results of the 2014 Frost & Sullivan survey of C-level executives and IT decision-makers

Base: All respondents (n=501)

Source: Frost & Sullivan

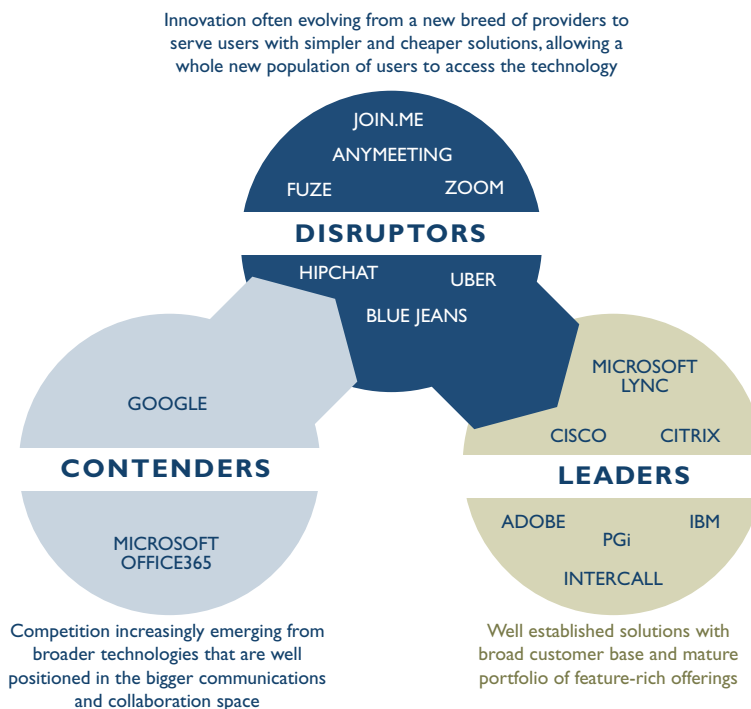
EMERGING PLAYERS MAKE THEIR MARK

Just as technology trends have emerged at a fast pace, there have been equally significant shifts in the competitive landscape. A slew of disruptive innovators are taking on incumbents by offering cheaper and better solutions, opening up adoption beyond large enterprises to companies of all sizes. These next-generation Web collaboration tools are enabling simple, intuitive and affordable collaboration, and staking bigger claims in the market.

One such solution that has seen rapid adoption, especially among SMB users, is the collaboration and online meeting solution join.me by LogMeIn. join.me is a freemium service that started as a screen-sharing tool and has evolved into a robust meeting tool to create strong recognition in the market. In addition to a free option that allows up to 10 participants to join a Web conference, the Pro and Enterprise versions include additional features for meetings with up to 250 participants at industry-disruptive prices.

Requiring no download for participants, join.me meetings offer a simple and intuitive user experience, which has led to a growing installed base of millions of users. In addition, it offers mobile apps for joining and presenting on iPhone, iPad, and Android smartphones. join.me has reported strong growth momentum—over 100% YoY revenue growth and 150% increase in customer accounts in the past 12 months, making it the fastest-growing Web conferencing product in 2014.

Exhibit 3: Market Disruptors and Leaders—A Heavily Branded Market



CONCLUSION

The need to accommodate BYOA is a reality in most organizations. Today's users have a greater level of sophistication in their personal lives and at home than what they typically find in the workplace. IT must bridge this gap. By allowing users to choose their devices and applications, IT is opening up new avenues to bring in faster, easier, and more efficient ways to work.

As a result of the consumerization of IT, Web conferencing users as well as line-of-business heads are discovering simpler and more effective options for collaboration, triggering greater adoption of cutting-edge technologies in their workplace. The benefits that users achieve from this innovative approach to technology selection are transforming business through improved collaboration, faster team decision-making, and accelerated productivity.

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