

MARKET INSIGHT



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

The State of the Web Conferencing Market:
Enabling Workplace Transformation for Enhanced Teamwork and Productivity

INTRODUCTION

Businesses today are experiencing landmark shifts. The emergence of mobile, social, and virtual communications is disrupting the status quo to create more distributed and real-time work environments. As a result, user demand for collaborative tools such as Web conferencing is growing exponentially. The adoption of Web conferencing is triggered by three key drivers that are profoundly altering the business landscape:

- The ongoing workplace transformation, consumerization, and need for flexible work styles;
- The rapid pace of technology change and speed of innovation among businesses; and
- The imperative to improve productivity.

Bring-Your-Own-App (BYOA) is leading to a proliferation of user-driven applications. IT and business leaders must have a clear-cut vision and roadmap to enable more effective collaboration or users will get a multitude of their choice of tools anyway.

KEY TRENDS IN WEB CONFERENCING IMPACTING ADOPTION

The global Web conferencing market grew at a healthy 11.6% in 2012 to reach \$1.80 billion in revenue. Web conferencing software and services are forecast to grow at a compound annual growth rate (CAGR) of 9.8% from 2012 to 2017 to reach \$2.88 billion by 2017.

Several emerging trends are driving the rapid uptake of Web conferencing and online meetings. Ease of use has improved, leading to productivity gains that aid in addressing the imperative to do more with less, while technological innovation is improving the quality of online meetings and reach of services. As a result of these massive shifts, Web conferencing is becoming a key business enabler that is connecting and engaging employees, customers, and partners as never before.

Figure 1: Top Five Trends in Web Conferencing

Simplicity	Nothing wins over user experience. Easy-to-use, cloud-based collaboration tools are reducing complexity and costs, and are critical in driving adoption.
Mobility	Mobile usage is exploding. Users are demanding enhanced meeting features and control from mobile devices. Due to a growing focus on mobile first, a Web conferencing solution must enable the transition from content consumption to productivity over mobile devices.
Workflow Integration	Web conferencing is moving away from vanilla online meetings to integrations with business applications built into user-defined workflows.
Converged Communications	Web conferencing continues to evolve from online meetings to social and collaborative platforms. Furthermore, adoption is being driven by the ongoing transition from audio-only communications to richer audio-Web collaboration.
Synchronous and Asynchronous	There is a greater user demand for convergence of real-time and asynchronous collaboration for better knowledge/content management, i.e., file sharing, flexible storage, on-demand access.

Source: Frost & Sullivan

In a 2013 Frost & Sullivan survey of North American decision-makers, respondents indicated high awareness and need for Web conferencing within their businesses.

Figure 2: Growing Business Need for Web Conferencing

78% of respondents indicate that they are aware of the benefits of web conferencing	65% or two-thirds of respondents say they use web conferencing within their companies
35% or 1 out of 3 respondents use web conferencing on a daily or a weekly basis	96% of users plan to either maintain or significantly increase the use of web conferencing

Source: Frost & Sullivan

There is a rapidly growing user demand as the value of Web collaboration is well understood both as a productivity enabler and a tool to cut back travel.

A FAST-CHANGING COMPETITIVE LANDSCAPE

While user demand for Web conferencing is growing rapidly, several concerns about ease of use and simplicity have kept adoption restrained. There is a growing impact of the next generation of tools that are enabling simple, intuitive, and affordable collaboration, motivating organizations of all sizes to evaluate Web conferencing. As a result, market shares in the global Web conferencing market are shifting. Dominant market leaders are continuing to lose share and the next generation of providers are staking bigger claims in the market.

One such emerging solution that has seen strong traction, especially among SMB users, is LogMeIn's collaboration and online meeting app join.me. In recent research, Frost & Sullivan identified join.me as a leading Web conferencing solution that is disrupting the market.

Launched in late 2010 as a freemium service against a backdrop of shifting market needs, join.me has seen rapid growth. In addition to a free option that allows up to 10 participants to join a Web conference, LogMeIn's Pro and Enterprise versions of join.me include additional features for meetings up to 250 participants at very attractive prices. Requiring no download, join.me meetings start in less than 10 seconds as opposed to other Web conferencing solutions that can be complex and slow. join.me's simple and intuitive user experience has led to a growing installed base of millions of users. In 2013 alone, join.me hosted 27 million meetings.

CONCLUSION

Web conferencing tools in the past were complex to use and did not offer an optimal user experience, preventing mainstream adoption. The next generation of solutions is addressing these challenges to create a greater groundswell of user adoption. Web conferencing is truly becoming a game-changer for many businesses. It is helping users improve collaboration, promote faster decision-making among teams, and improve productivity beyond what is possible from simple audio-only communications.

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