

Market Trends: Web Conferencing, Collaboration and Streaming

Industry Developments and the Business Impact

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April 2003

INTRODUCTION

The benefits of using the web to enable collaboration within and between organizations is impacting every segment and every business practice in use today. The technology groundwork for this revolution has been laid over the last five years, and 2003 has seen acceleration in the use of online collaboration to facilitate business and business objectives. The technology choices continue to expand, and our business practice and process are still evolving to take full advantage of the new opportunities.

WHAT IS COLLABORATION

In its broadest sense, collaboration is defined as the interactive exchange of information. These fluid, dynamic communications are the norm rather than the exception in most business environments. We rely on individual judgment and initiative to ensure high-quality communication and collaboration. These communications take place in person, over the telephone, and most recently, via email. Although the mediums change, our goals remain consistent: educate, inform, persuade, and reach consensus.

BENEFITS OF ONLINE COLLABORATION

By leveraging today's widespread Internet connectivity, we can now collaborate online. Tremendous focus has long been put on the efficiency of on-line communications. But they are also more effective because they add visual aids – slides, pictures and video – to our communications.

Efficiency	Effectiveness
Reduce travel	Higher comprehension
Save time	Greater retention
Reduce decision cycles	Increased participation

Research and customer case studies support these conclusions, but we are still developing best business practices and training to support the use of these new solutions. At this point, it still is the few that invest the time and effort to learn how to use these tools effectively and apply that knowledge to achieve business objectives.

CONVERGING TECHNOLOGIES

We are in the midst of a convergence of technologies being used to deliver collaboration solutions. The original solutions have all employed proprietary clients. These solutions support desktop sharing, whiteboards and integrated chat. They excel at one-to-one and small meetings, and are typically used in conjunction with the telephone for audio. They are the predominant method for delivering both meeting and online events today, with WebEx Communications the most visible service provider.

At the other end of the spectrum are streaming technologies. Widely used today for the receipt of entertainment (audio and video) media, they have a large installed media-player base. They use streaming technologies to support synchronized audio, video and slides and deliver highly scalable and reliable events. Although often integrated with chat and survey capabilities, they do not typically support whiteboard and application-sharing. These solutions excel at delivering online events.

Increasingly, each of these camps is addressing their shortcomings, with mixed success. The meeting-oriented solutions are working to scale, while the event-oriented solutions are adding interactive tools. For example, it is now possible to stream an event where any audience member can select their own video camera angles. This is the beginning of streaming content personalization. We expect to see this trend continue (and are tracking companies that are implementing solutions to achieve this end).

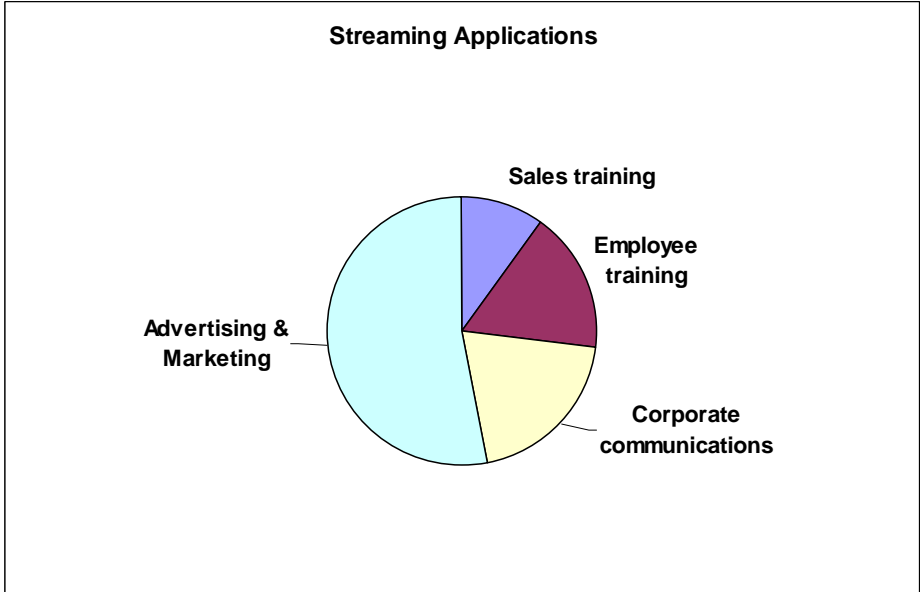
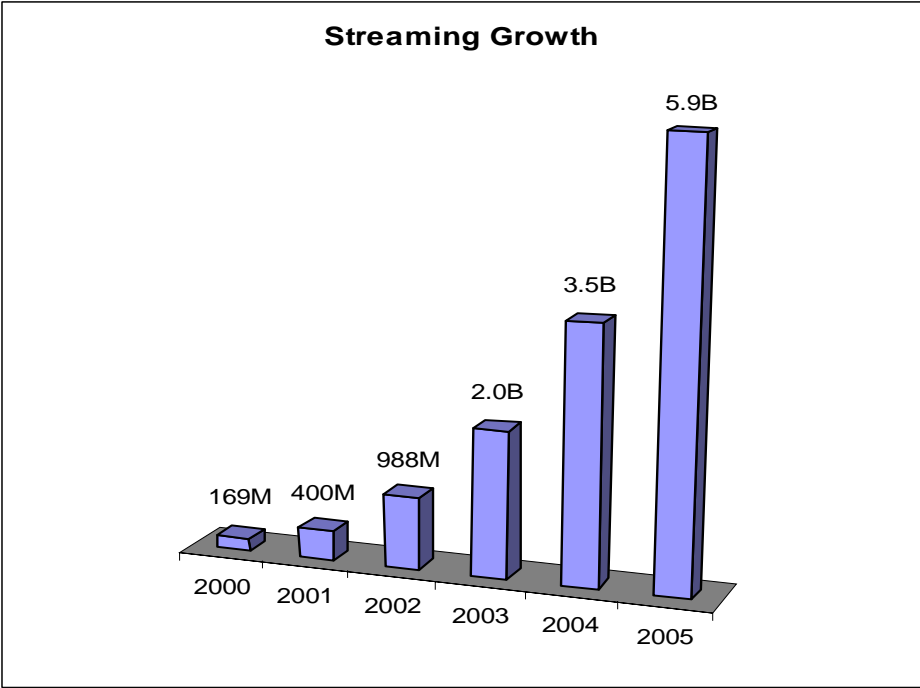
The reliability and bandwidth availability of the web, combined with new codecs¹ that improve audio and video compression, make streaming solutions more and more attractive. They prove cost-effective since they deliver both voice and data while maintaining scalability.

BUSINESS ADOPTION OF COLLABORATION TECHNOLOGIES

Business is adopting these technologies. The only pure-play collaboration provider, WebEx Communications, reported 2002 revenue growth of 72% (\$140 million). The existing teleconferencing service providers, with North American revenues above \$2 billion, are now embracing and promoting their collaboration service offerings. According to Wainhouse Research (Brookline, Massachusetts), who tracks the teleconferencing and collaboration market, collaboration services growth is doubling annually, but still represents less than 10 percent of total conferencing revenue. They foresee continued growth in the segment.

The use of streaming technologies is about to explode. Gartner Group (Stamford, Connecticut), a leading IT research firm, expects the number of companies using streaming technology to grow from 21,000 in 2001 to 225,000 in 2005.

¹ CODEC is acronym for compression decompression algorithm; used to reduce number of bits required to transmit audio or video signal



Source: Yankee Group

The Yankee Group, a Boston, Massachusetts-based technology research and consulting group, covering communications, and IT products and services, recently projected that the streaming media market would double in size by 2005, reaching almost \$6B.

The Yankee Group's study also identified potential applications. It found that more than half of the collaboration implementations would focus on marketing and promotion. This is being driven by many factors, not the least being the

effectiveness of web seminars or webinars to generate low-cost leads and as a low-cost communication vehicle with customers and prospects.

WEB SEMINARS AND WEBCASTS ARE EFFECTIVE LEAD GENERATORS

Web seminars and webcasts are really traditional marketing techniques that use the Internet for delivery. Today's webcasts highlight industry trends and technologies much like a white paper. They bring these trends to life using a combination of lecture, interviews and case studies, similar to in-person seminars or television. They also add a level of interactivity, enabling the audience to interact with the presenters or a subject matter expert.

Using a combination of audio and visual interaction, webcasts lead to clear, concise communication. And with the ability to ask questions, these events take on the personalization of a face-to-face meeting.

A study commissioned by information technology syndicate Bitpipe, found that nearly half (46 percent) of the respondents accessed a webcast or web seminar prior to purchasing, with more than 87 percent finding the webcast valuable or extremely valuable to helping them do their jobs. More than 77 percent of these technology professionals' access webcasts to stay on top of industry trends and new technologies, and 44 percent use them to compare products as part of a competitive analysis process. Fully 56 percent access webcasts to identify technical features that apply to specific applications. The use of webcasts and online seminars positively influenced company perception as well.

These webcasts are effective vehicles for viral marketing. Ninety percent of the viewers passed the information or literature provided during the webcast to other individuals within their company and 67 percent passed the information to their superiors.

Webcasts Generate Leads!

An August 2002 Bitpipe survey conducted by Insight Express revealed the power of webcasts:

Webcasts Improve Company Perception

- 74% of those surveyed have a positive perception of a vendor if they produce high quality webcasts and online seminars

Webcasts are used to Make Buying Decisions

- 60% of technology professionals access webcasts and online seminars to obtain preliminary information about products and vendors
- 32% of technology access webcasts and online seminars to help justify potential buying decisions

Webcasts are Powerful Viral Marketers

- 90% of technology professionals passed the information from a webcast or seminar product

WHY NOW

There are a number of factors that contribute to the tremendous growth of collaboration technologies in general and streaming technology in particular;

- bandwidth availability
- network reliability
- multimedia enabled computers

- simple-to-use authoring tools
- lower production and delivery cost

We have come to accept and expect high bandwidth access and reliable network connections. Our computers, even our handhelds, have bundled support of audio and video. It is easy to forget that only 10 years ago the Internet was primarily a text-only academic network. Now over half of the population accesses streaming audio and video at home and work (Nielsen/NetRatings). These trends have been recognized industry-wide and are well-documented.

However, it is interesting to discuss the recent introduction of new multimedia authoring and production tools and the impact on delivery cost. These are under-appreciated contributing factors that will catapult streaming to the top of the collaboration market.

CONTENT CREATION AND DELIVERY: EASIER AND CHEAPER

One of the factors behind the rapid growth of proprietary collaboration tools has been their ease of use. They support the uploading of PowerPoint presentations which are automatically converted to images for display. Since audio is provided over a conference call or telephone connection, bandwidth intensive application sharing can be supported. This is a good solution, but has drawbacks in addition to scalability;

1. Cost – for larger audiences, the additional conference calling bridge support becomes expensive
2. Archival Quality – replay recordings, important in marketing applications where more people attend the replay than the live event, is compromised by the complexity of synchronizing multiple, discrete sources

Creating streaming content has not been much easier until the introduction of a new breed of desktop software packages that provide simple time-line based editing for the creation of on-demand content, and wizard based interfaces for the assembly and delivery of live events.

These new tools take streaming from the sole domain of IT professionals, to empower any pc-literate marketing or training professional to create and deliver web seminars and events. They automate media synchronization and eliminate the need for specialized HTML hand coding and scripting. These tools not only make it simpler to create events, they drive down production costs since no specialized knowledge is required.

At one time, the cost of hardware alone prevented all but the largest companies to evaluate streaming. However, now any Pentium III laptop can stream audio reliably. As computing power has increased, bandwidth expense has also decreased. Content delivery networks that proved redundant, distributed

infrastructure to ensure streaming reliability are now available at a fraction of previous cost.

IMPLICATIONS

These simple-to-use desktop content creation tools will enable more frequent collaboration using online events. Knowledge workers will be able to share information with more people, faster. It will now be cost-effective to segment and target smaller audiences, delivering high-quality live and on-demand events.

Yet the availability of these tools and use of streaming technologies is only part of the answer. Just as the printing press made it easier, faster and cheaper to produce books, you still need writers that can tell a story in a clear, concise, and engaging manner. Taking advantage of this new medium, and the applications it will spawn, means mastering a new set of competencies.

INFLUENCE ON MARKETING

As noted earlier, over half of the investment in these technologies will be used for sales and marketing. In fact, we are just now beginning to see their influence. Marketers are beginning to use web seminars to build awareness and interest in their products and services. But we have only just begun. Expect to see tremendous growth not only in presentation formats and production values (both higher and lower), but market segmentation, personalization and integration. Streaming technologies have laid the groundwork for streaming content personalization, and the Internet is an enabling platform for tracking and profiling our prospects and customers.

The true value of these technologies will come to bear as we view them as extensions of traditional marketing efforts that should be integrated to enhance our overall marketing effectiveness. Using web seminars and webcasts, we can engage our customers and build a relationship with them that can be personalized based on their needs. We will gain a better understanding of our customers, their needs and concerns from both a quantitative and qualitative level. And we can do this cost- effectively.

THE ROLE OF COREOGRAPHY

Coreography helps companies create, deploy and promote web seminars and webcasts that improve lead generation, product marketing and training.

Coreography is conversant with these new technologies, and with the process of creating compelling webcasts and web seminars. Our approach is unique. We can assess your needs and recommend the right solutions for you to create your

own web seminars and webcasts, or we can deliver turnkey solutions. And since we use all the software tools we recommend, you will receive practical training and relevant best practices.

Coreography also helps companies reluctant to implement webinars as part of their marketing strategy due to their lack of online marketing experience. We will not only introduce you to these new streaming solutions, but provide audience development and lead generation programs.