

IDC MarketScape

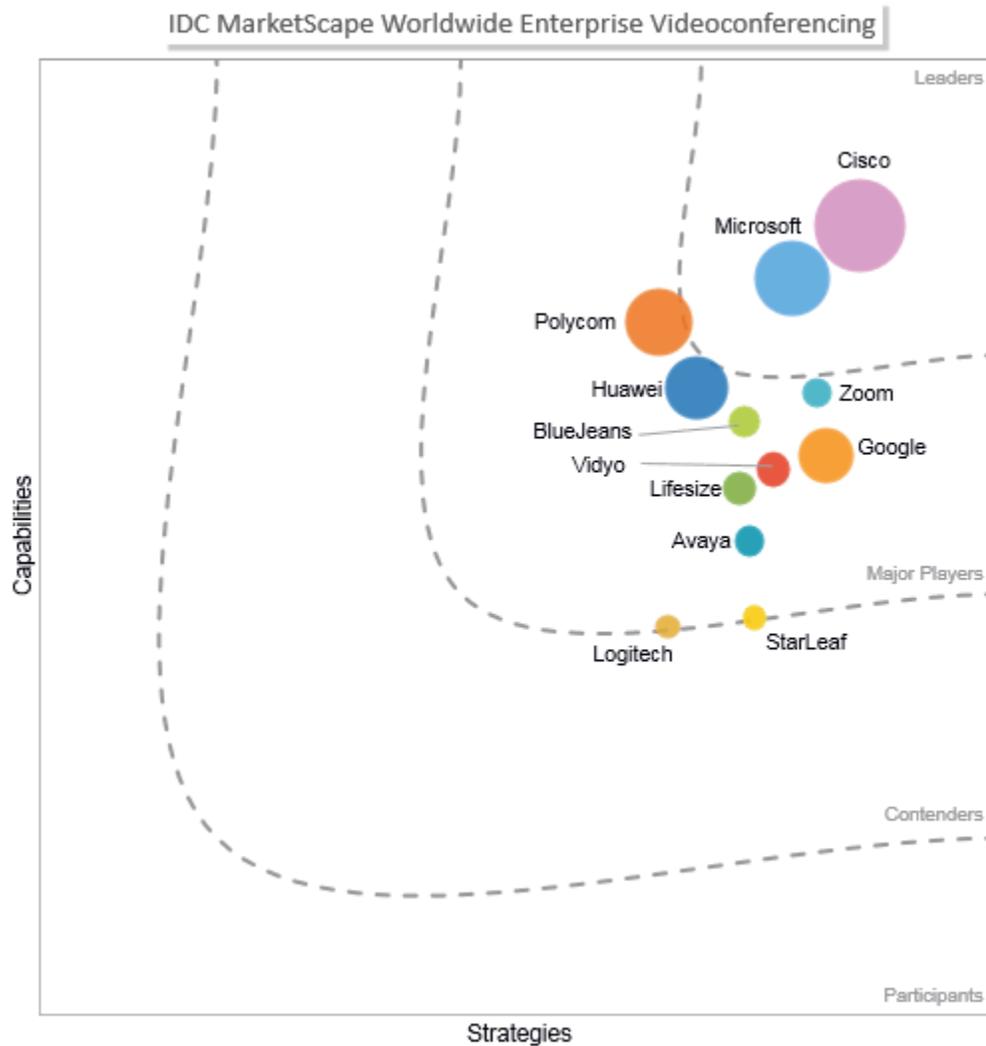
# IDC MarketScape: Worldwide Enterprise Videoconferencing 2018 Vendor Assessment

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**IDC MARKETSCOPE FIGURE**

**FIGURE 1**

**IDC MarketScape Worldwide Enterprise Videoconferencing Vendor Assessment**



Source: IDC, 2018

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

## IDC OPINION

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This IDC study represents the vendor assessment model called the IDC MarketScape. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's chances for present and future success worldwide. This study assesses the capability and business strategy of 12 global enterprise videoconferencing vendors. This evaluation is based on a comprehensive framework and a set of parameters expected to be most conducive to success in providing enterprise videoconferencing solutions, for both the short term and the long term. Key criteria, among others, that contribute to a successful enterprise videoconferencing offer includes the following:

- A holistic video/unified communications and collaboration (UC&C) solution that can also integrate/embed with business processes and applications to be transformative for the business
- A robust portfolio that can be clearly demonstrated, including the ability to support a range of video uses in collaborative applications, especially in huddle rooms for two to three people and for desktop, browser, and mobile video scenarios
- Flexible delivery options for customers and partners as part of the video portfolio offering (premises, managed, hosted, and cloud)
- Competitive strategies from a cost standpoint (e.g., industry-standard hardware, software, cloud services, licensing, offshore R&D, and manufacturing)
- Video communications platform-as-a-service (video CPaaS) offerings – driven by applications in areas such as video-aided telehealth, field services, education, and social media
- Business partnerships and sales channels that open up new markets for video vendor and service provider offerings, yet still enable them to maintain a high level of support and customer care

## IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

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This research includes an analysis of 12 enterprise videoconferencing providers spanning IDC's research coverage and with global importance. This assessment is designed to evaluate the characteristics of each firm – as opposed to its size or the breadth of its services. It is conceivable, and in fact the case, that specialty firms can compete with multidisciplinary firms on an equal footing. As such, this evaluation should not be considered a "final judgment" on the firms to consider for a particular project. An enterprise's specific objectives and requirements will play a significant role in determining which firms should be considered as potential candidates for an engagement.

In total, 12 companies were evaluated in this IDC MarketScape assessment (in alphabetical order): Avaya, BlueJeans Network, Cisco, Google, Huawei Enterprise, Lifesize, Logitech, Microsoft, Polycom, StarLeaf, Vido, and Zoom. For inclusion in this IDC MarketScape assessment, providers had to demonstrate at least two years of general worldwide availability of standards-based enterprise videoconferencing products/solutions that have reached a critical mass of shipments, subscribers, and/or revenue.

## Changes from 2016 IDC MarketScape for Worldwide Enterprise Videoconferencing Vendor Assessment

The global enterprise videoconferencing market has transitioned over the past several years to more software and cloud services, as well as to small huddle rooms and desktop and mobile users. You'll notice that this year we've included some video/unified communications (UC) cloud service providers in this assessment, including BlueJeans Network, Microsoft, and Zoom. Although these vendors are video software and cloud services providers in the videoconferencing area, as are others here, they also offer or partner with others to provide videoconferencing solutions for room environments, in addition to the cloud-based video services they provision.

### ADVICE FOR TECHNOLOGY BUYERS

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IDC sees the increasing use of videoconferencing within organizations being driven by a desire to:

- Collaborate more effectively (via high-resolution video, audio, and data content and other tools and capabilities) with a wider circle of coworkers in huddle rooms, at desktops, in remote offices, and on mobile devices from any location.
- Expand the use of video externally to include the growing demand for business-to-business (B2B) and business-to-customer (B2C) sessions with customers, clients, business partners, and prospects.
- Integrate/embed video with key business processes and applications (e.g., customer service, HR, remote diagnostics, and distance learning).

As such, IDC recommends organizations evaluating enterprise videoconferencing solutions consider the following:

- The end-user experience continues to rule within organizations. This involves not only the quality and reliability of the videoconference itself but also a richer, more intuitive user interface (UI) – basically a single software-based interface to manage video collaboration from whatever device, from any location, with data content, across any applications that may be integrated with one or more company business processes.
- Vendors and providers can demonstrate that video integration with UC&C solutions (i.e., telephony, presence, instant messaging [IM], web conferencing, and other collaboration applications) increases the overall value of video solutions for customers and shows a vendor/partner commitment to selling solutions compared with just selling standalone videoconferencing systems.
- Vendors and providers should work with customers to identify/develop specific video use cases within their organizations via usage behavior analysis and best practices. A good video use case can lead to proliferation of video to other areas of the organization as well.
- As an alternative to deploying video network infrastructure on-premises, video-as-a-service (VaaS) and infrastructure-as-a-service (IaaS) offerings can provide much-needed flexibility and scalability and are less capital-intensive options for customers to consider for videoconferencing.
- Video cloud services should be considered for those organizations lacking the IT skills and resources to manage and support their own enterprise video infrastructure. Video cloud services can enable companies to deploy video with limited IT resources, provide end-user access to video sessions regardless of location for a monthly fee per client or endpoint, and simplify firewall integration, traversal, and management. In short, cloud can help change the

economics of videoconferencing for many companies, especially small and midsize companies.

- Organizations should be aware of the opportunity that web browsers present for real-time video collaboration. IDC anticipates the use of web browsers as clients for real-time voice and video communications – especially video – will continue to grow significantly. A web browser provides an alternative for anyone who does not have access to a room or other video endpoint system or does not have a vendor software client installed on his or her PC or mobile device. Depending on the circumstances, a web browser usually requires a software plug-in to be installed to support a specific vendor's collaboration session (e.g., for audio and video). WebRTC is an HTML5 specification that enables real-time communications between web browsers natively, alleviating the need to download a software plug-in to use for real-time collaboration. Google Chrome and Mozilla Firefox were the first web browsers to support WebRTC natively. More recently, Apple Safari (v11 and later) and Microsoft Edge (ORTC support) have added WebRTC support.
- For capturing, storing, and managing the many video collaboration sessions that occur within organizations for on-demand access by employees, solutions such as video content management, rich media content streaming, and application sharing continue to draw significant interest from customers.

## VENDOR SUMMARY PROFILES

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This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

### Avaya

Avaya is rated as a Major Player in this IDC MarketScape. Avaya is well positioned worldwide and has a multifaceted strategy to capture a significant share of the technology refresh cycle being driven by digital transformation (DX) – of which video is a core component. Avaya's solutions, innovation road map, and channel development plans have positioned the company to address trends over the next three to five years, including video pushing to become mainstream; increasing mobility demands driven by smartphones and tablets; the consumerization of IT; the demand for open, flexible platforms; the adoption of communications-enabled business processes (including simplified development environments and integration into cloud-based services); context-driven communications; the adoption of cloud; and the federation of communications across enterprise boundaries.

Avaya recognizes that, across the industry, customers are moving away from standalone solutions and are looking for a single, converged audio/web/videoconferencing platform that addresses the requirements of desktop and mobile users, along with providing room system interoperability. Customers also desire one solution for both UC and separate "over the top" conferencing. Avaya Equinox is positioned as a single platform for UC, over-the-top conferencing, and cloud that converges the capabilities of Avaya Aura Conferencing and Avaya Scopia Conferencing. Avaya also believes one market trend will be to integrate persistent workspaces/workstreams within conferencing – instead of them being separate offers (i.e., a converged model of audio, web, video + workspaces/workstreams). Avaya Spaces, now integrated in Avaya Equinox, is a cloud-based, persistent team collaboration and meeting solution that enables attendees to collaborate before, during, and after regular meetings.

Avaya views WebRTC as an enabling technology that changes the way people interact. As such, Avaya has fully embraced WebRTC across its Equinox portfolio, providing best-in-class WebRTC and HTML5-based video collaboration, IM, presence, and telephony capabilities in browsers and embedded in applications that employees use every day. End users are no longer required to download a native application on their desktop to have full access to Avaya communications and collaboration tools.

## **Strengths**

- Avaya has a presence in more than 100 countries worldwide, and during the past three fiscal years, Avaya has serviced more than 90% of the Fortune 100. Avaya customers operate in a broad range of industries, including financial services, manufacturing, retail, transportation, energy, media and communications, hospitality, healthcare, education, and government. Avaya customers represent Forbes Global 2000 companies from airlines, auto and truck manufacturers, and hotels and motels industries and major banks and investment services firms.
- Converged solutions such as Avaya Equinox should help the company gain further traction and accommodate the shift to desktop, mobile, and cloud-delivered solutions where customers are agnostic to the infrastructure technology.

## **Challenges**

- Now that Avaya's long-term debt issues have been addressed, and the company has emerged from Chapter 11 as a public company, it's important for Avaya to continue to offset declining hardware revenue, as well as the overall company revenue, with the right mix of software, premises, cloud, hybrid, and services offerings.
- Cloud solutions are top of mind for both customers and manufacturers as cloud becomes the go-to delivery method for emerging applications and existing software services. But many resellers are still challenged with understanding how they can make money on cloud services. The shift from one-time product sales to a service-based annuity stream requires significant changes in the partner business model – a challenge with which Avaya has made progress and continues to transition.

## **Consider Avaya When**

Small businesses (with a few employees) to large enterprises, government agencies, and multinational companies (with more than 100,000 employees and global requirements) should consider Avaya. Avaya can offer a range of video solutions and endpoints, which integrate well with its extensive UC&C portfolio in a one-stop vendor approach for meeting customer communications requirements.

## **BlueJeans**

BlueJeans Network is rated as a Major Player in the IDC MarketScape. The company was founded in 2009, with headquarters in Mountain View, California. Quentin Gallivan has been the CEO since August 2017. BlueJeans provides an interoperable, cloud-based videoconferencing service that connects participants across a wide range of devices and conferencing platforms. BlueJeans continues to enhance meeting productivity by enabling teams to work how and where they want across mobile devices, browsers, desktops, and room systems. BlueJeans offers enterprise-grade management, live monitoring, and troubleshooting of meetings, rooms, and events, as well as the security (SOC 2/3 and GDPR) global organizations require. It supports integrations with communications applications such as HipChat and Microsoft Skype for Business (S4B; formerly Microsoft Lync), Teams, and Slack. The BlueJeans portfolio includes the following:

- **BlueJeans Meetings** connects with 1-200 colleagues across devices for enterprise-grade face-to-face video calls with high-definition (HD) Dolby audio.
- **BlueJeans Events** hosts interactive all-hands meetings, webinars, and town hall events for up to 15,000 attendees worldwide, with content sharing, playback, and audience engagement tools.
- **BlueJeans Rooms** connects with remote participants on desktops and mobile devices, via a browser, or any SIP/H.323 conference room system with a single touch.

BlueJeans partners with Dolby to bring Dolby Voice to every BlueJeans meeting, suppressing background noise and presenting voices of participants from their distinct locations. BlueJeans' additional strategic relationships with Facebook, Logitech, Microsoft, and Polycom have increased the number of ways in which videoconferencing, audioconferencing, and web conferencing integrate with the collaboration tools people use every day. The company continues to expand its footprint in the enterprise space, along with its partner ecosystem. Recent partner innovations include:

- Dolby audio quality across different room sizes and configurations embedded in the BlueJeans Meetings platform
- BlueJeans' integration with Workplace by Facebook that enables users to start BlueJeans meetings from Workplace Chat and stream live video meetings into Workplace via BlueJeans
- Logitech ConferenceCams, multiple USB audio options, and Logitech Screen Share, which offers HDMI input to BlueJeans Rooms
- Microsoft Teams that enables enterprise users to participate in video meetings on any platform or device natively from their Teams environment based on the integration with BlueJeans
- Polycom to provide one touch to access BlueJeans Meetings, making meetings more intuitive and frictionless

In 2018, BlueJeans announced a new Technology Partner Program, which enables innovative companies and customers to use BlueJeans' APIs to build out new solutions with BlueJeans' support. The new program provides development and go-to-market support to provide an integrated, automated experience to make the BlueJeans platform even more accessible.

## **Strengths**

- BlueJeans has long been recognized for its commitment to videoconferencing interoperability, and today, the company brings together videoconferencing, audioconferencing, and web conferencing in a single meetings platform that integrates with the collaboration tools people use every day.
- As a cloud-based solution, smaller companies as well as large enterprises have gravitated to BlueJeans to help them build a more connected workforce without the capital expense historically associated with videoconferencing.
- BlueJeans is also innovating on the future of work, by applying artificial intelligence (AI) to enhance meeting reliability and innovating meeting productivity through partnerships that bring voice recognition to meetings (Amazon Alexa for Business and Voicera) and intelligent whiteboard capture (Dolby and Kaptivo).

## **Challenges**

As a cloud-native meetings solution, BlueJeans does not offer an on-premises solution for enterprises wishing to host within their own datacenters.

## Consider BlueJeans When

Consider BlueJeans when you are a small, midsize, or large enterprise organization considering a move to a cloud-based platform for delivering high-quality video, audio, and web meetings or events.

## Cisco

Cisco is rated as a Leader in this IDC MarketScape. Cisco is, first and foremost, an IT and networking company. However, UC&C and video are key areas where Cisco is making strategic investments for driving growth and innovation. The company continues to grow its market share globally by focusing on both end users and the IT experience. It uses cloud to reach organizations of all sizes and users, extending the value of the customer's existing investment – including fusing the cloud and premises together in a hybrid approach. This, in combination with lower-cost endpoints, positions Cisco to drive video collaboration adoption and growth with new and existing customers. Cisco's strategy for video collaboration and meetings is to create additional relevance for more users to leverage meeting solutions more frequently, thus increasing productivity and supporting digital business transformation goals. Key areas of focus for Cisco product development and enhancement include:

- Integrating meeting experiences with content and context before, during, and after meetings to support continuous collaboration models and more agile workstyles across workstreams
- Blending the physical and virtual workspaces – delivering the right experience for every workspace, enabling meeting rooms with collaboration and meeting solutions
- Focusing on user experience (UX) and removing friction experienced in older meeting options through natural conversational-style interfaces and integrating AI and machine learning (ML) for smarter and more intuitive meeting experiences
- Providing continued enhancement of Cisco's global platform to deliver incremental scale, interoperability with enterprise-class security and analytics

Cisco enables partners to offer managed, hosted, and cloud video solutions either as a custom offer that they build via Cisco Hosted Collaboration Solution (HCS) or via Cisco video infrastructure and managed directly or through the resale of Cisco-delivered Cisco Webex (formerly known as Cisco Spark) cloud offers. [Note: Cisco has rebranded its cloud-based collaboration suite for calling, meeting, and team collaboration from Cisco Spark to Cisco Webex. These Cisco cloud video solutions are sold by partners.]

Cisco video collaboration solutions are included in the Cisco Collaboration Flex Plan, which brings together cloud, hybrid, and on-premises collaboration deployment options in one subscription-based offer. Cisco positions this as a simpler, more economical way for customers to transition to the cloud.

## Strengths

- Cisco's collaboration and video business is complementary to the company's overall global strength in networking, security, and IT solutions.
- Cisco's customer base is made up of large enterprise, midmarket, and small and medium-sized business (SMB) customers and service providers; however, Cisco's strength is primarily at the enterprise level. 95% of the Fortune 500 are using video-enabled Cisco Collaboration solutions. Customers have commented that Cisco's appeal includes the robustness of the company's portfolio and a complete product road map.
- Cisco has been a leader at transforming the collaboration experience – incorporating machine learning and artificial intelligence capabilities (e.g., Webex Assistant) across its current

portfolio (Cisco Webex Teams, Webex Board, Webex Room Series, etc.), as well as features such as speaker tracking, facial detection, noise detection, and intelligent views (e.g., automatic framing of speakers).

## Challenges

- Generally speaking, the video purchase/adoption cycle can be slow as customers evaluate various deployment models or just good-enough experiences. Cisco's channel partners need to continue working with buyers to demonstrate the value of an enterprise-grade video experience in enhancing productivity, building relationships, and sharing content securely in the workplace.
- Pervasive deployments of video in every physical space – for every desktop, room, and mobile user – may be a budget challenge for some customers; Cisco especially can be premium priced. Buyers should evaluate options for software and hardware solutions, as well as the Cisco Collaboration Flex Plan for new consumption models.

## Consider Cisco When

Small, midsize, and enterprise customers, especially those with existing investment in Cisco networking infrastructure, or those that are leveraging cloud-based services, should consider Cisco when looking for a broad portfolio of video solutions and endpoints, most of which integrate well with its extensive UC&C portfolio in a one-stop vendor approach.

## Google

Google is rated as a Major Player in this IDC MarketScape. Google has rebranded its enterprise cloud to Google Cloud. Key focus areas contributing to Google Cloud's building momentum include G Suite, Google Cloud Platform, security, mobility, and devices.

Recent upgrades to G Suite's Hangouts include a more business-focused interface and improved ease and speed of joining video meetings via Hangouts Meet – a set of tools for business videoconferencing rooms (formerly called Chromebox for Meetings). With Hangouts Meet, the company offers a low-cost, plus an annual fee after the first year, room-based videoconferencing solution that utilizes the Google Cloud back-end video cloud delivery model and G Suite Hangouts software for business. The HD video session for up to 50 participants is web based and can be accessed without plug-ins. For only G Suite Enterprise Edition customers, each call comes with a dedicated dial-in phone number so that team members on the road can join meetings with just a click, along with the Gmail and Google Calendar integration. Google partners sell a packaged kit that includes Hangouts Meet hardware (a 4K camera, a microphone/speaker, a touchscreen controller, and an ASUS Chromebox) bundled with Google software and fleet management and support services. Customers provide their own displays.

Another hardware add-on to the G Suite family is Google's interactive and cloud-enabled whiteboard called Jamboard – a WiFi-enabled, interactive digital whiteboard for the creative workspace that features a 55in. 4K display with a built-in camera and speakers. Jamboard is part of an increasingly competitive segment of the market now (i.e., interactive digital whiteboards) that features similar offerings from high-profile vendors such as Smart, Cisco, Microsoft, and Polycom.

Google Cloud supports instant communications and team productivity with Hangouts Chat. In line with its focus on team collaboration, the Hangouts Chat application creates "team rooms." @meet is an intelligent bot built on top of the Hangouts platform that uses natural language processing and machine learning to help schedule Google Calendar meetings from inside Hangouts Chat. Hangouts Chat

integrates with G Suite apps such as Drive and Docs, as well as photos, videos, and other third-party enterprise applications such as Box.

Enterprise communications and collaboration are at the center of digital transformation. As such, Google Cloud shows its devotion to collaboration through its revamped Hangouts solutions (Hangouts Chat and Hangouts Meet), a focus on tight integration with Google Docs (Drive), the use of ML to make collaboration smarter, and the introduction of collaboration devices such as Jamboard. The value proposition of Google Cloud's G Suite is in providing a comprehensive solution in the cloud – automating the full life cycle of meetings from agenda to collaboration and required follow-up actions.

### **Strengths**

- With its global scale, Google can offer solutions at very competitive price points. IDC expects that more organizations will find Google's cloud-based offerings compelling. Google will see more success with customers that need a high degree of flexibility and are ready to embrace the public cloud model.
- Google has been developing web-based applications and extending them from personal use to business use. That has helped Google gain more traction in the enterprise space as more large enterprises are moving from traditional desktop applications to web-based applications.
- Google has a strong brand name in the consumer space and is benefiting from the consumerization of IT trend – consumer technology, especially mobile devices, being brought into the workplace.

### **Challenges**

- A challenge for Google is building on the success of its enterprise business. It needs to continue expanding its channels and enterprise marketing efforts to better communicate its solutions and road map. With 58% of Fortune 500 companies using Google collaboration products, a global sales force, 24 x 7 phone and email support, and security, Google has made some significant strides in the enterprise market and will have opportunities to win more enterprise customers as it continues to enhance its offerings for larger businesses.
- Working with large systems integrators (SIs) will help Google penetrate more enterprise accounts and move beyond point solutions.

### **Consider Google When**

Consider Google when you are a small, a midsize, or an enterprise-class organization or are in strong Google public sector segments such as education and government and desire global-scale, bundled communications and collaboration solutions, including video, at very competitive price points in a public cloud offering.

### **Huawei**

Huawei Enterprise is rated as a Major Player in this IDC MarketScape. Huawei is a long-term provider of visual solutions, launching its first video offering in 1993 in its home market of China. It is a global networking company that focuses its sales efforts mainly in APAC, EMEA, and some countries in Latin America. Although PRC continues to be Huawei's stronghold because of the company's many relationships with the government, local telcos, large enterprises, education, and finance, Hong Kong, Australia, India, and Latin America make up the company's next-largest markets. The company's customer base is made up of large enterprise (3,000+ users), midmarket (300-3,000 users), and SMB (fewer than 300 users). The Huawei Enterprise Business Group (EBG) has three segments: IP switching, datacenter, and UC&C, with videoconferencing as one of the main product lines of the

UC&C business. In addition to the Enterprise Business Group, other lines of business within the organization include carrier network and devices.

Strategically, Huawei plans to develop vertical industry communications (education, finance, etc.), network upgrades of large enterprises, an SMB video communications solution, and cloud-based hosting communications. The video communications solution is moving from traditional on-premises to cloud-based conferencing – a big market opportunity for Huawei. In 2017, Huawei released its own videoconferencing cloud service based in mainland China, and the company will be releasing video cloud services overseas with its partners in 2018. Huawei considers video as one of its key areas of investment.

Video has not only been used for holding conferences, it is also being combined with office and working systems to create greater possibilities. In many projects, Huawei customers demand interoperation between videoconferencing and UC systems. Huawei's converged conferencing solution provides unified conference management, a unified directory, multiterminal convergence, and multibusiness integration to meet customer requirements. Huawei's videoconferencing systems can also interoperate with mainstream UC systems (such as Microsoft Skype for Business), which meet customers' demand for interoperation when they buy videoconferencing systems.

Huawei's visual communications portfolio today spans from high-end, immersive telepresence systems (Huawei TP Series) to lower-cost HD video systems – for scenarios such as administrative conferences and remote education, among others (Huawei TE Series) – as well as video infrastructure and associated audio/visual accessories. High-end H.265 and 4K technologies are also a focus of development. Huawei's videoconferencing solutions also support TE Series desktop and TE mobile video clients on PCs (Windows and Mac), laptops, iPhones, iPads, and Android phones and tablets.

The TE desktop and TE mobile video clients can support SIP BFCP HD content sharing with room-based video endpoints.

Huawei's enterprise UC&C portfolio is comparable to that of other major networking vendors and includes IP telephony, IP contact center, conferencing (web and video), telepresence, collaboration software, presence, instant messaging, and unified messaging (UM). The Huawei eSDK provides a unified interface for integrating Huawei's videoconferencing systems with third-party business processes and applications.

## **Strengths**

- Huawei focuses its sales efforts mainly in EMEA, APAC, Africa, and some countries in Latin America. Huawei ranks by revenue as the number 1 enterprise videoconferencing vendor in China and among the top videoconferencing vendors globally. The Huawei videoconferencing business maintains steady growth in terms of either revenue or profits, and Huawei's net cash flow is better than the company's profit growth.
- Huawei's enterprise videoconferencing portfolio ranges from mobile soft clients to high-end products and solutions. The company's videoconferencing and telepresence solutions can be integrated with Microsoft Skype for Business, IBM Sametime, and Huawei eSpace systems for UC deployments.
- Huawei continues to invest in software-based and virtualized videoconferencing platforms and cloud videoconferencing solutions for end users and channel partners with three deployment modes: private cloud, public cloud, and mixed cloud. Huawei enterprise communications will provide Huawei cloud services based on a self-developed public cloud platform.

## Challenges

- A big challenge for Huawei is proliferating the high brand awareness it enjoys in China and APAC to the global enterprise market. In North America especially, Huawei remains challenged by low brand awareness and low mindshare among organizations and the need for the continuing development of its enterprise global channels (most of its key partners are regional, with OBS as its primary global partner). Huawei's lack of market presence in North America, especially in the United States, is hindered by political and government concerns.
- Huawei must overcome two inhibitors to its channel partners' desire and/or the ability to sell video solutions. First is a longer upgrade cycle of videoconferencing products brought on by global economic weakness and slow market demand. The second is profit decline because of the transition to software- and cloud-based solutions, along with fierce competition in the enterprise videoconferencing market.

## Consider Huawei When

Organizations should consider Huawei if they are enterprise class with networking, UC&C, and/or videoconferencing requirements, especially in regions of Huawei strength and presence – China, APAC, Europe, Latin America, India, and the Middle East.

## Lifesize

Lifesize is rated as a Major Player in this IDC MarketScape. The company serves a wide range of global customers including large enterprises, midmarket, and small and medium-sized businesses. Targeted verticals include education, entertainment, manufacturing, healthcare, technology, financial services, government, legal, oil and gas, and electric. The Lifesize Icon Series of videoconferencing room systems, combined with the Lifesize cloud-based videoconferencing service, addresses all the ways people work – in meeting spaces (from huddle rooms and medium-sized meeting spaces to large conference rooms, boardrooms, and auditoriums), at their desks, and on the go – all managed with the same user interface and online management console. This level of support makes it easy to scale video inside an organization and reduces the support burden placed on the IT team.

Videoconferencing is Lifesize's primary business; however, Lifesize also addresses the audioconferencing and web conferencing market and offers a wireless sharing device. To help with technology adoption, Lifesize has completely re-architected its client platforms with a focus on the user experience. Lifesize has developed applications that allow users to join a meeting as fast as possible – with little to no training.

Lifesize is currently investing in expanding its cloud service to ensure the delivery of high-quality conferencing services (video, audio, and web) worldwide. This effort is a container-based, microservices approach that will enable Lifesize to scale to meet increased customer demands and deploy new innovative offerings based on customer feedback – all done using industry-standard protocols such as SIP and WebRTC – allowing complete interoperability. Lifesize now has more than 5,500 paid customer accounts for its cloud-based videoconferencing service.

Lifesize sales efforts globally are primarily indirect through a network of distributors and expert resellers. In the United States, where it sees a larger number of customers that wish to do business directly with the service provider/manufacturer, Lifesize offers a direct option, if that's the customer's preference.

The Lifesize videoconferencing portfolio includes the following: Lifesize Icon 800 for large rooms, multiple screens; Lifesize Icon 600 for smaller rooms, dual screens; Lifesize Icon 450 for huddle

rooms; the Lifesize Dash solution for turning any small meeting room environment into a conference room (available FY Q318); Lifesize Executive Desktop app for laptops, tablets, or smartphones; Lifesize Video Cloud Services; the Lifesize Phone HD video phone; Lifesize desktop and web applications for PC support; Lifesize iOS and Android apps for smartphones and tablets; and the Lifesize Live Stream app for live streaming of video content.

## **Strengths**

- A key differentiator Lifesize offers is the connected experience it provides through its Icon Series conference room systems. By furthering innovation (e.g., through 4K capabilities), Lifesize can offer a compelling value that drives its ability to gain/retain customers.
- Although the Lifesize portfolio is well suited to organizations of all sizes, the vendor's strength is in supporting companies with varied, multiple, and complex collaboration needs, such as multiple offices, a distributed workforce, previous investments in conferencing hardware, partners, and customer ecosystems. This is where Lifesize believes its greatest opportunity lies.
- Lifesize is a global brand selling around the world. Its greatest focus and largest businesses are in North America and Europe, with Lifesize sales teams and partners rapidly expanding its business in South America, Australia, India, and Japan.

## **Challenges**

- One of the biggest factors that limit the organizational adoption of videoconferencing technology is the user experience. Any friction in the process can result in user frustration and the lack of adoption of the technology. A challenge for Lifesize is to educate organizations about UX and gain market share via its end-to-end solution for videoconferencing, which the company considers best in class when it comes to the UX – no matter if the user is in the conference room, on a mobile device, or on a personal computer.
- Lifesize must continue to emphasize its marketing and brand awareness over the next few years, specifically as it relates to the Lifesize cloud-based service, in order to increase its mindshare in video cloud services globally.

## **Consider Lifesize When**

Organizations should consider Lifesize if they are an enterprise-class customer with videoconferencing requirements looking to leverage open standards, such as SIP and WebRTC, to help accelerate delivery and remove any customer concerns around proprietary standards and vendor lock-in.

## **Logitech**

Logitech is rated as a Contender in this IDC MarketScape. The Logitech Video Collaboration group is funded as a part of Logitech SA, a publicly traded company (Nasdaq: LOGI). Video Collaboration is currently one of Logitech's three fast-growing businesses, along with Gaming and Audio. Logitech focuses on collaboration peripherals. Logitech champions its ConferenceCam solutions that disaggregate the traditional proprietary videoconferencing room system into separate components:

- Video collaboration software (which can be delivered on-premises or from the cloud from a variety of vendors)
- Compute platform (PC, Mac, iOS or Android device, Intel Next Unit of Computing [Intel NUC], etc.)
- Logitech ConferenceCams, webcams, and peripherals (remote control, keyboard, mouse, etc.)

Logitech's value proposition for the market is best described as follows:

- **Ease of deployment:** Logitech products that are plug-and-play USB peripherals
- **Flexible:** Use the software or service of your choice or use a different app for every meeting
- **Deployment choice:** Bring your own computer or install a CPU in each room, any CPU and OS will work with Logitech
- **Value:** Logitech ConferenceCams that provide a high-end, HD meeting room experience at less than \$1,000 per room (on average)
- **IT friendly:** No need to be an AV geek to add video to every room, just deploy a computer and peripherals

Since entering the market with the BCC950, Logitech has grown and expanded its ConferenceCam business. In addition to the BCC950, the Logitech ConferenceCam portfolio includes CC3000e, Connect, GROUP, and GROUP expansion mics for midsize and large conference rooms, along with Logitech webcams like BRIO and some wired and wireless headsets. The ConferenceCam small room lineup now includes Logitech Meetup, ConferenceCam Connect, and BCC950. The ConferenceCam Connect is battery powered and designed to be used as a mobile room system when paired with a user's computer and any screen. The ConferenceCam Kit bundles a Logitech ConferenceCam with the Intel NUC platform. MeetUp is Logitech's all-in-one ConferenceCam with a 120-degree field of view (FOV) designed from the ground up for small meeting rooms and huddle rooms. The Logitech Mobile App enables using Android phones or iPhones as a remote control for most Logitech ConferenceCams.

### **Strengths**

- Logitech's collaboration business unit is profitable and driving company growth. In the most recent year, the collaboration group posted net sales growth of 41% year over year.
- One of the primary drivers for ConferenceCams is the opportunity to integrate video with UC&C solutions. A benefit of the Logitech approach is that Logitech's collaboration products plug into any application, workflow, or process. There is no separate user interface or software program to navigate.
- Logitech does not focus its marketing or sales efforts on specific verticals. However, the vendor is seeing significant volumes coming from industries such as healthcare, education, financial services, automotive, consulting/professional services, pharmaceuticals, and high tech.

### **Challenges**

- Growth inhibitors for Logitech are a lack of mindshare among businesses regarding the company, as well as market awareness regarding its ConferenceCam solutions and overall portfolio.
- The general belief is that there are only two video options available to businesses: buy purpose-built traditional video systems or default to a PC at the end of the conference table. Most end users and IT buyers are not aware that there is another option (i.e., Logitech ConferenceCams).

### **Consider Logitech When**

Consider Logitech if you are an SMB, an SME, or a large enterprise company that uses multiple communications and collaboration tools, and if your users want to be able to select the application or service that fits their needs for a meeting, then use another app or service for the next meeting, and so

on. Logitech's disaggregation of the collaboration app/service from the compute platform and the ConferenceCam and peripherals suits this flexible mode of working.

## Microsoft

Microsoft is rated as a Leader in the IDC MarketScape. Microsoft has been widely recognized as the most disruptive player in the worldwide UC&C market over the past several years. Microsoft has been competing against established vendors such as Cisco, Avaya, Slack, Google, and Mitel with a cloud and software focus. Skype for Business and Microsoft Teams are marketed alongside the Microsoft Office client suite, and the Exchange and SharePoint server application products, including combined delivery as part of Office 365. Microsoft supports the following communications and collaboration products and/or services:

- **Skype for Business:** IM, presence, audio/video/web conferencing, and enterprise voice
- **Microsoft Teams:** Microsoft Teams that replaces Skype for Business as the core communications client for Office 365 customers over time (Microsoft Teams brings together the communications and collaboration capabilities in Office 365 to a single hub for teamwork leveraging AI to provide more intuitive capabilities.)
- **Exchange:** Email, calendaring, voicemail, and unified messaging
- **SharePoint:** Collaboration and document sharing
- **Office 365:** Skype for Business Online, Microsoft Teams, SharePoint Online, Exchange Online, OneDrive, OneNote, and Office Suite

Multimedia is completely supported in Skype for Business and Microsoft Teams, including high-definition audio and video, in addition to rich collaboration capabilities including document sharing, file transfer, presentation delivery, and desktop/application sharing. All these can be managed centrally through policy from an end-user perspective (i.e., what capabilities are available to the user), in addition to managing network impact such as total bandwidth and network usage across WAN links using Call Admission Control (CAC).

For videoconferencing, Microsoft supports the Skype for Business Video Interoperability Program (VIP), which tests and qualifies partners' video solutions to provide interoperability with Skype for Business in order to provide a premium experience for customers. The program offers support, via the Skype for Business Partner Engineering team, to third parties as they navigate the technical documentation and understand the finer details of the signaling and media implementations in Skype for Business. This allows partner companies that participate in VIP such as Polycom, Lifesize, StarLeaf, and Vidyto to deliver room solutions that allow video interoperability between Skype for Business and third-party video endpoints.

As a rare Microsoft hardware offering, Surface Hub shifts the videoconferencing paradigm by eliminating multiple, unconnected meeting tools (video, speakerphone, whiteboard, projector) and the time-wasting processes just to have a meeting (logging in, sharing/editing content). Replacing them are Surface Hub hardware and software that's clearly pointed toward productivity and multiuser collaboration with instant log-in among meeting attendees and their devices via Miracast; real-time editing of content on screen and on connected devices – visible by people both on-premises and remotely; more peer-to-peer camera views rather than one view overlooking all; and meeting notes distributed to all attendees. When finished, all content is wiped away so that the next session begins with a clean slate.

Surface Hub also calls for native applications to meet the needs of specific vertical markets (e.g., higher education, manufacturing, healthcare). Plus, with the availability of Skype for Business, Microsoft Teams, One Note, Office 365, and other Microsoft applications on board, Surface Hub looks to be a contender to service the needs of enterprise users.

### **Strengths**

- Microsoft has a huge base of enterprise customers worldwide to leverage for selling its popular Office 365, Skype for Business, and Microsoft Teams offerings and applications.
- Both Skype for Business and Microsoft Teams bring the power of meeting and collaboration technology together with a user experience that is familiar and intuitive. Add in seamless integration with Microsoft Office Suite and a single unified experience (whether on your PC, Mac, iOS, Android, or Windows Mobile), and Microsoft can offer a complete user-friendly set of messaging, voice, video, and conferencing capabilities.

### **Challenges**

- Because Microsoft relies on its ecosystem of partners to provide most of the Skype for Business/Microsoft Teams add-ons (special features and capabilities, video rooms, desktop phones, contact centers, etc.), it may offer limited appeal to customers looking for a single-source solution. This approach can add complexity and cost to deployments.
- With a vision of moving beyond UC to more intelligent and collaborative communications, Microsoft Teams will become the core communications client for Office 365 customers over time. Microsoft will maintain/support the existing Skype for Business client, even planning a new release – Skype for Business Server 2019 – in late 2018, but beyond that, organizations will need to consider moving to Microsoft Teams.

### **Consider Microsoft When**

Consider Microsoft when your organization is a Microsoft software and applications environment, whether on-premises or in the cloud, and you desire a unified approach for your video communications and collaboration requirements.

### **Polycom**

Polycom is rated as a Major Player in this IDC MarketScape. In 2018, Plantronics (NYSE: PLT) and privately held Polycom announced that they had entered into a definitive agreement under which Plantronics will acquire Polycom in a cash-and-stock transaction valued at \$2.0 billion enterprise value. The deal is expected to close by the end of Q318. With the acquisition of Polycom, Plantronics' focus is to become the partner of choice for the communications and collaboration ecosystem, indicating that the strategic rationale for the combination is as follows:

- **Accelerate Plantronics' strategy:** Polycom brings a global leadership position in voice and video collaboration, accelerating Plantronics vision of delivering new communications and collaboration experiences.
- **Broaden portfolio:** With the addition of Polycom, Plantronics will have a broad UC endpoint portfolio of complementary products and services across the global communications and collaboration ecosystem and the ability to create exceptional user experiences.
- **Expand market opportunity:** The combination positions Plantronics to capture additional opportunities across the UC&C industry driven by innovation in video and the ubiquity of audio, building growth opportunities through data analytics and insight services.

- **Augment services business:** Polycom significantly expands Plantronics services offering, providing a meaningful presence in management and analytics services.

The integration of the two companies (expected to take 12-18 months) is anticipated to simplify the overall transaction flow (one sales list, one PO to use, etc.) and help consolidate programs between the two companies, but the two businesses will remain independent units. As such, Plantronics indicated that the two brands will likely coexist for the long term to leverage the global strength and familiarity of both brands.

Polycom expects to see continued growth in integrating its video solutions with UC&C platforms as the demand for UC&C solutions is strong. One of Polycom's key differentiators is the company's ability to natively integrate or interoperate with most popular UC&C platforms, including strong partners such as Microsoft, IBM, BroadSoft, Ribbon Communications (formerly GENBAND), and Metaswitch, as well as the platforms of video competitors such as Cisco. In support of any-to-any video connectivity between locations and between solutions, Polycom is determined to allow users to connect seamlessly to any partner – from traditional UC players such as Microsoft, Cisco, and Avaya to pure-play video solutions such as Zoom and BlueJeans.

The Polycom video portfolio includes immersive systems (RP Immersive Studio and Flex), small group systems (RP Group 310, 500, and 700 and the CX 8000 for Microsoft UC), small group huddle systems (RP Group 310, Convene, Debut, and Trio Visual+), traditional room-based systems (RP Medialign and Group Series Media Center), executive desktop system (RP Group Convene); video infrastructure (RP Cloud and RP Clariti), videophones (RP Trio Visual+ and VVX 500, 600, and 1500), mobile video support (RP Mobile), PC support (RP Desktop and RP Web Suite), video cloud services (RP Cloud), and HD content support (Polycom Pano).

### **Strengths**

- Polycom enjoys a strong partnership with Microsoft, integrating with Skype for Business and Office 365, that continues to provide the company with the video growth opportunity. Polycom video solutions integrate with Office 365 by extending the Skype for Business meeting experience into the conference room. As such, Polycom anticipates further growth on the video (and voice) front as Office 365 gains more traction.
- The Polycom customer base is typically service providers and midsize to large enterprises, but many SMBs have adopted the firm's solutions. Polycom not only offers a broad portfolio of video collaboration solutions for horizontal business applications but also delivers many vertical-specific solutions for government, education, finance, healthcare, manufacturing, oil and gas, pharmaceutical, retail, hospitality, and entertainment.
- IDC expects the merger of Polycom with Plantronics to result in a robust unified communications endpoint portfolio vendor and a stronger overall business partner. Plantronics should also benefit from the significant video life-cycle services business that Polycom enjoyed.

### **Challenges**

- Challenges that inhibit the adoption of Polycom solutions, and that the company must work to overcome these challenges, include a lack of awareness among business of the collaboration company that it has become, the perceived high cost and complexity of implementing best-of-breed solutions, and misunderstandings about which new technologies/vendors will provide the most value and the biggest long-term benefits.

- The debt load from the announced acquisition will be almost the size of Plantronics' and Polycom's combined annual revenue. The combined entity will have to manage the debt load while figuring out how to remain successful with a mostly hardware-centric portfolio in a market that is increasingly software and cloud based.

### *Consider Polycom When*

Consider Polycom when you are an enterprise-class organization with global geographic requirements and a desire to leverage a top-quality best-of-breed portfolio for your business videoconferencing needs.

### **StarLeaf**

StarLeaf is rated as a Contender in this IDC MarketScape. StarLeaf, a privately funded company, anticipates growth over the next three to five years to be driven by the adoption of products and services from its two lines of business: one delivering integrated messaging, meetings, and calling (StarLeaf Cloud Solutions) and the other delivering premium hardware meeting room systems for Microsoft Teams and Skype for Business (StarLeaf Microsoft Solutions). The StarLeaf customer base is spread across all major industries and includes enterprise and midmarket customers.

The aggressive marketing of the StarLeaf App is key to driving growth and increasing company market share. The app is free from app stores and the StarLeaf website and targets end-user communication needs and supports administrators as it is centrally managed and secure. The StarLeaf App offers users and businesses of all sizes, across all geographies and verticals, a "single pane of glass" view that delivers messaging, meetings, and calling. As a personal communications tool, it is interoperable with all other video and voice solutions. The app supports Windows, Mac, Linux, iOS, and Android for PCs and mobile devices. Also, anyone can join a StarLeaf meeting via a browser (Chrome and Firefox) using the app's Click-to-Call WebRTC capability (no plug-in required). StarLeaf's goal is to continue enhancing the functionality of the app to make it indispensable to both users and admins in a professional environment.

In the mature videoconferencing markets across EMEA, North America, and APAC, StarLeaf has embarked upon a strategy to meet Polycom in the distribution channel – offering existing Polycom users a migration path to the cloud. In addition to addressing Polycom's existing customers, joint distribution partners will offer market bundled solutions where Polycom endpoints automatically come with the StarLeaf Cloud. Alongside the Polycom strategy, these new distribution partners will also address the needs of Lifesize and Cisco users wishing to move to the cloud. The first distributors to bring Polycom and StarLeaf Cloud to market are Exertis (Benelux), Allnet.Italia (Italy), Telstra (ANZ), and eLink and Ingram Micro (Germany). Final commercial contract negotiations are still in progress with Polycom's distributors in the United Kingdom, France, and Switzerland.

StarLeaf Cloud is a purpose-built, internally developed architecture that does not use any third-party legacy video infrastructure devices nor rely on third-party services. StarLeaf manufactures its own hardware and software endpoints. In addition to the StarLeaf App and Cloud, the portfolio includes systems such as GT 3351, GT Mini 3330 Range, and the StarLeaf PT Mini executive desktop system. StarLeaf does not manufacture the cameras that are sold with its hardware systems, which include cameras from Sony, Logitech, and VHD.

In addition to growth and adoption of its Cloud meeting room systems, StarLeaf plans to continue focusing on enterprise customers that have opted for the Skype for Business or Teams UC platform. StarLeaf announced interoperability with Microsoft Teams in March 2018 and showcased this

capability at Enterprise Connect 2018. The objective is to become the de facto standard for fulfilling all enterprise meeting room needs (including huddle rooms through boardrooms) with its GTm 5250 and GTm 5140 room systems. This includes adding new premium features to the StarLeaf Maestro management solution (which provides enterprise-level management capability), giving IT a level of detail that enables complete real-time monitoring of meeting room systems.

As cloud has gained in acceptance, StarLeaf is now experiencing a pull from channel partners that were previously resistant to cloud. StarLeaf's early positioning as an end-to-end solution for cloud-based video calling and videoconferencing has kept StarLeaf in a strong position to compete, which has been recognized by the channel. Over the next two years, StarLeaf expects to strengthen its go-to-market strategy to drive market share growth across its portfolio.

### **Strengths**

- StarLeaf can deliver tightly integrated messaging, video meetings, and calling into a UC&C environment. The company sees a major opportunity to offer solutions with differentiated value (such as interoperability across platforms), providing users with the ability to seamlessly collaborate and communicate with their colleagues, partners, and suppliers.
- Enterprises that have transitioned from traditional video in their meeting rooms to a complete Skype for Business or Teams deployment will require enterprise-grade meeting room systems and a centralized management platform. StarLeaf is already shipping these systems and management platform and is planning to add support for third-party Skype for Business meeting room systems.
- In the same way that StarLeaf provides interoperability across disparate video platforms, it will also provide interoperability across disparate messaging platforms (e.g., allowing a StarLeaf user to message a Cisco Webex user directly). StarLeaf sees this as a significant step in the progress toward a seamless collaboration environment with no boundaries.

### **Challenges**

- A lack of broad visibility and brand awareness are factors inhibiting StarLeaf growth. A challenge is developing partnerships with companies that have a shared vision, a strong market presence, and a large customer base for helping StarLeaf increase its brand awareness and market penetration.
- StarLeaf is a privately funded company with solid offerings, partnerships, and goals in place to become cash flow positive.

### **Consider StarLeaf When**

Consider StarLeaf when you are a midsize or an enterprise customer with requirements for a video cloud solution that can integrate with your environment, possibly with the meeting room system needs as well. StarLeaf Cloud provides infinite capacity to scale, with no limitations on the number of users or endpoints that can be supported.

### **Vidyo**

Vidyo is rated as a Major Player in this IDC MarketScape. Vidyo is a privately held, venture-backed company founded in 2005 and headquartered in Hackensack, New Jersey, with 12 international offices, about 300 employees currently, and over 5,000 Fortune 500 and SMB customers. Telehealth, video banking, government, unified communications as a service (UCaaS), and communications platform as a service are the largest of Vidyo's vertical markets. The company partners with over 300

resellers globally. Its private funding comes almost entirely from investors such as Kaiser Permanente Ventures, Menlo Ventures, Rho Ventures, and QuestMark Partners.

Vidyo is an enterprise videoconferencing vendor offering both cloud- and premises-based application solutions, as well as a video platform-as-a-service (VPaaS) offering enabling third parties to embed the Vidyo platform into their own applications and services through APIs and SDKs. Early on, Vidyo developed a software-based videoconferencing architecture that it offers for sale or integrates with a range of video endpoints (e.g., group and desktop systems, mobile devices, smart glasses and other wearables, custom clients, and IoT devices), along with infrastructure equipment (e.g., routing, management, interoperability, stream, and record solutions). Software enables Vidyo to more easily add upgrades and support for new video technologies, compared with vendors that are more reliant on hardware. Vidyo offers cloud, hybrid, and on-premises solutions; a full WebRTC offering; and a VPaaS for developers called vidyo.io.

VidyoCloud is the company platform that powers all the Vidyo portfolio solutions (VidyoConnect, VidyoEngage, vidyo.io) and use cases. VidyoConnect is an enterprise meeting solution for team collaboration across mobile, desktop, and conference room endpoints. VidyoEngage powers customer and patient interactions with video and content sharing. Vidyo.io is a VPaaS offering that allows business-grade videoconferencing to be embedded into applications, workflows, and hosted unified communications via SDKs and a global network. Vidyo is very active in the rapidly growing VPaaS market.

IDC considers the numerous OEM relationships Vidyo has developed with business partners since the company's inception – partners that license Vidyo technology for powering their video collaboration offerings – a strength of the company. IDC thinks Vidyo's innovative adaptive video layering (AVL) technology and software approaches to delivering videoconferencing have been key in spurring the company's rise in the enterprise videoconferencing market over the past several years.

### **Strengths**

- Vidyo has dozens of ecosystem partners that license its technology for powering their video collaboration offerings including Genesys, NCR, Mitel, Fuze, Verint, American Well, NICE inContact, 8x8, Ribbon Communications, Alibaba, NEC, and Allscripts.
- Vidyo enjoys leadership status in the nascent VPaaS market, utilizing a cloud-based development platform (vidyo.io) for embedding its video technology with business processes and applications. Vidyo claims a broad deployment of embedded real-time video applications across a range of use cases including healthcare, financial services, banking, and government.
- Vidyo sells software and applications, as well as some hardware, under its own brand name while powering services offered by others via a strong OEM business relationship with strategic partners.

### **Challenges**

- A primary challenge for Vidyo and its partners is identification of the business case. For those developers who have used embedded video, open source and CPaaS are the top 2 approaches. Buyers will need help with bridging the gap between API platform technology and actual use cases and business models.
- Vidyo has experienced some turnover of chief executives (three of them) over the past five years or so, in addition to some management and staff turnover. The impetus of the CEO

turnover was thought to be a strategic change aimed at jump-starting Vidyo's competitiveness and flagging revenue growth in the on-premises videoconferencing market. As a result, the company shifted gears to its VPaaS and VCaaS business model. The VPaaS market is still nascent but holds the promise of double-digit revenue growth in the coming years, according to IDC.

### *Consider Vidyo When*

Consider Vidyo when you are an enterprise-class organization or a business in a strong Vidyo vertical segment such as financial services, banking, healthcare, or government, with video requirements beyond the normal videoconferencing capabilities – embedding video into business workflows and applications via a cloud-based development environment.

### **Zoom**

Zoom is rated as a Major Player in this IDC MarketScape. Zoom is a privately held company founded in 2011 by CEO Eric S. Yuan. Funding partners include Sequoia, Emergence Capital, Qualcomm Ventures, and Horizons Ventures. Growth of Zoom has been impressive, with 1,100+ company employees currently and 30+ billion annual meeting minutes serving 58% of Fortune 500 companies and 96% of the top 200 U.S. universities. Although North America is its primary market (the United States and Canada), Zoom has expanded internationally into EMEA, Asia/Pacific, Australia, and Brazil. With an initial focus on the technology, business services, and higher education markets, the company indicates that it's increasingly adding enterprise, healthcare, and financial services customers now too.

Zoom's cloud-based platform delivers conferencing (video and audio), chat, and webinars across mobiles, desktops, and room systems. Companies can leverage their existing, standards-based video endpoints such as Cisco, Polycom, and Lifesize, or they can use the Zoom Rooms software-based solution in conference, huddle, and training rooms, as well as executive offices and classrooms. Zoom supplies the software for Zoom Rooms, while partners such as Logitech, Yamaha, and Crestron provide the hardware. The following is a brief overview of the full Zoom product suite:

- **Meetings:** Video/audio/web conferencing for meetings, training, and technical support with up to 500 video participants (49 participants per screen)
- **Zoom Rooms:** Software-based collaboration-enabled conference rooms with video, audio, and content sharing; digital signage; and scheduling display (Professional services options are available for hardware selection and deployment.)
- **Chat:** Cross-platform persistent messaging and file sharing, included in the Zoom client.
- **H.323/SIP Connector:** Connects H.323/SIP video systems to the cloud and features the one-touch capability for Cisco and Polycom.
- **Video Webinar:** Available for marketing events and town hall meetings (with up to 10,000 attendees), live streaming to Facebook and YouTube, CRM integrations, and event services
- **Zoom for Developers:** Empowers applications with embedded video, audio, and screen sharing

Zoom supports video and audioconferencing for up to 500 interactive video participants, or up to 10,000 webinar viewers. Participants can join from desktops, laptops, mobile devices, telephones, traditional H.323 room systems, and Zoom Rooms. Integrations are available for Google and Microsoft Exchange for scheduling, joining, and meeting management. Zoom Rooms supports high-resolution

wireless content sharing over WiFi and Apple AirPlay mirroring or by direct HDMI connection. Zoom has online administration tools, reports, and dashboards for management and alerts.

## Strengths

- The Zoom "freemium" model (i.e., Personal Plan) is very attractive to many organizations and is typically the entry into Zoom for most customers. Zoom's free product is the same as its paid product.
- Zoom is particularly strong in the healthcare, technology, financial services, and higher education markets.
- Although Zoom delivers capabilities such as audioconferencing and web conferencing, as well as chat and file sharing, the company's strength is in its video adoption rates with unique features such as virtual backgrounds and "Touch-Up My Appearance." Zoom indicates that more than 80% of its customers utilize video in Zoom Meetings.

## Challenges

- As a public cloud-based service, Zoom leverages the internet for video and audio delivery. IDC sees this as a "best effort" proposition with no guarantee of video or audio quality for customers. Zoom counters that this is an advantage: Anyone can connect (no need for an MPLS or a dedicated network), making Zoom easy to use. And Zoom was architected to handle various network conditions for a high level of quality and reliability.
- The freemium version of Zoom is the same featurewise as the paid version and offers unlimited 1:1 meetings, but with a 40-minute time restriction when there is a group (3-100 participant) session. An ongoing challenge for Zoom is migrating freemium users to one of its paid monthly plans (i.e., Pro, Business Plan, Enterprise Plan).

## Consider Zoom When

Consider Zoom when you are an SMB to a large enterprise considering a move to a cloud-based platform for delivering videoconferencing services and require everyone in your organization to have video meeting access, especially if you're rolling out huddle rooms.

## APPENDIX

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### Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

## IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

*Note: All numbers in this document may not be exact due to rounding.*

## Market Definition

### Enterprise Videoconferencing Solutions

Enterprise videoconferencing capabilities come in a wide range of solutions, offering customers a broad set of price-to-performance feature options. IDC categorizes the following types of videoconferencing solutions:

- **Immersive telepresence** includes a custom-designed room environment, multiple high-definition (HD) screens (two to four) with multiple software codecs, HD audio, custom lighting, and tables – all creating an immersive, lifelike experience. (Note: Immersive telepresence solutions are not a primary consideration of this assessment.)
- **Room-based videoconferencing** includes small group, dedicated videoconferencing equipment, nonportable or portable, high quality, and less expensive than immersive. This market segment has been transitioning to high-definition video, larger screen formats, and rich, wideband, and HD audio, thereby providing users with a much richer meeting environment.
- **Personal videoconferencing** includes all-in-one desktop solutions and dedicated videoconferencing hardware for individual use (not including videophones). For personal videoconferencing applications, many enterprises have deployed "executive systems," which are all-in-one desktop or tablet device solutions that combine the performance of dedicated videoconferencing hardware with packaging designed for individual use rather than for the conference room.
- **Video infrastructure** includes video multipoint control units (MCUs), software-based MCUs, video software codecs, cameras, screens, and associated audio components. "Other" (non-MCU) video infrastructure includes video gateways, gatekeepers, NAT/firewall devices, and scheduling and management systems.
- **Video as a service (VaaS)** includes pure enterprise videoconferencing services that are delivered from a platform used by many customers at the same time (i.e., multitenant). Pure videoconferencing services are managed by providers, housed at their facilities, and typically charged for on a subscription basis (i.e., per endpoint).

## Strategies and Capabilities Criteria

This section includes an introduction of market-specific definitions and weightings. IDC believes enterprise videoconferencing providers must exhibit the characteristics outlined in Tables 1 and 2 to be most relevant to certification candidates when crafting a future strategy and in leveraging existing capabilities to the best advantage. The factors were weighted because IDC believes that some factors are more critical than others in maximizing market opportunity and realizing market success (see Tables 1 and 2).

**TABLE 1**

### Key Strategy Measures for Success: Enterprise Videoconferencing Vendors

Strategies Criteria	Definitions	Weights (%)
Channel partner strategy	Channel partner strategy accounts for the extent to which the vendor has a strategy for the formal training and development of channel partners, including things such as a certification process, sales and marketing support, and professional services support available to the channel partner, among others.	5.0
Cost management strategy	The cost structure for the video offerings will remain competitive yet will support the flexibility required to adjust to the pricing models that customers will want in the future. In addition, use of these offerings will allow for an efficient total cost of ownership (TCO).	7.0
Customer service strategy	Customer service offerings will continue to evolve to retain customers, being available through the channels preferred by clients over the next three to five years. Competitive standard warranties and service quality will continue to be offered and improved.	4.0
Delivery model	The vendor's delivery model will continue to evolve to offer more deployment options (premises, managed, hosted, cloud) based upon the needs of the vendor's clients.	9.0
Employee strategy	Employee strategy includes the ability of the vendor to provide a variety of offers, benefits, programs, and services to attract new talent to the company.	4.0
Financial/funding model	Capital management/financial statement trends are sound. Smaller, more upstart companies have funding commitments over the next three to five years.	4.0
Functionality or offering road map	Future enterprise videoconferencing platforms and solutions will align with the increasing use of industry standards in the areas of video compression, interoperability, SIP, data collaboration, mobility, security, and UC applications development, among other pertinent areas. Videoconferencing will be able to accommodate the overall increasing use of multimedia by end-user customers without reduction in throughput.	10.0
Growth strategy	The vendor has a strong formula for growth that aligns well with market trends anticipated over the next three to five years. Planned acquisitions are strategic and add value.	6.0

**TABLE 1****Key Strategy Measures for Success: Enterprise Videoconferencing Vendors**

Strategies Criteria	Definitions	Weights (%)
Innovation/R&D pace and productivity	R&D plans over the next three to five years are strategic, and execution strategy appears to be sound.	5.0
Marketing strategy	Future marketing strategy is well planned, with aligned messages for targeted segments and verticals, and appears in position to be well executed. Future messaging will be consistent with marketing strategy.	10.0
Other business strategies	The vendor is capable of creating and/or sustaining relevant accurate ecosystem partnerships. These partnerships will add value by augmenting the videoconferencing portfolio capabilities and brand reputation. Partnerships will receive adequate attention from each partner company.	5.0
Other go-to-market strategy	Other go-to-market strategies can include OEM, white label, and customization.	5.0
Other offering strategies	Other offering strategies can include vendor demonstration of any other videoconferencing and/or content/delivery management strategies.	5.0
Portfolio strategy	Value-added end-user and management applications will become more differentiated and continue to add functionalities, especially in the areas of video enhancement, UC integrations, mobility, collaboration, enterprise social business, and business process integrations, among other pertinent areas.	10.0
Pricing model	The pricing model will be sustainable for the vendors and appropriate for the target markets. The model can evolve to feature a more effective mix of licenses, bundles, base fixed prices, add-on feature pricing, and subscription-based services.	6.0
Sales/distribution strategy	The videoconferencing portfolio will continue to be even more available through channels relevant to end users. Geographical availability can expand as needed.	5.0
Total		100.0

Source: IDC, 2018

**TABLE 2**

**Key Capability Measures for Success: Enterprise Videoconferencing Vendors**

Capabilities Criteria	Definitions	Weights (%)
Solution functionality	Current enterprise videoconferencing platforms and solutions align with the use of industry standards in the areas of video compression, interoperability, SIP, data collaboration, mobility, security, and UC applications development, among other pertinent areas. The videoconferencing platform will be able to accommodate the overall increasing use of multimedia by end-user customers without reduction in throughput.	11.0
Delivery model appropriateness and execution	The vendor's video delivery model is currently offered in several ways (premises, managed, hosted, cloud) based upon the deployment needs of its clients.	9.0
Cost competitiveness	The cost structure for the video offerings is competitive yet supports the flexibility required to adjust to the pricing models that customers want today. In addition, use of these offerings allows for an efficient total cost of ownership (TCO).	10.0
Portfolio benefits delivered	Value-added end-user and management applications are differentiated and add enhanced functionality, especially in the areas of video compression and resolution, UC integrations, mobility, collaboration, enterprise social business, and business process integrations, among other pertinent areas.	12.0
Pricing model options and alignment	The video pricing model is sustainable for the vendor and appropriate for the target markets. The model features an appropriate mix of licenses, bundles, base fixed prices, add-on feature pricing, and subscription-based services.	6.0
Sales/distribution structure	The videoconferencing portfolio is available through channels relevant to end users. Geographical availability is appropriate.	10.0
Marketing	The videoconferencing portfolio is targeted toward appropriate segments and verticals and positioned correctly. Marketing messaging is consistent and aligned with targeted audiences.	6.0
Other go-to-market capabilities	Other go-to-market capabilities can include OEM, white label, and customization.	5.0
Customer service capabilities	Presale and postsale customer services are offered through channels preferred by clients and are executed well. Competitive standard warranties are offered.	5.0
Business growth execution	The vendor is executing on its business growth strategy through either organic growth or acquisitions — or both. Acquisitions are strategically aligned and add value.	5.0
Innovation/R&D	The vendor regularly improves its field through innovations made from original research. R&D execution appears to be sound.	5.0

**TABLE 2****Key Capability Measures for Success: Enterprise Videoconferencing Vendors**

Capabilities Criteria	Definitions	Weights (%)
Employee management	The vendor provides and expands on a variety of offers, benefits, programs, and services to manage and retain employees in the company.	3.0
Financial/funding management	Vendor or parent company manages capital effectively, generating appropriate returns. Private firms attract sufficient investment.	4.0
Channel partner programs	Channel partner programs account for the extent to which the vendor successfully provides for the formal training and development of its channel partners, including things such as a certification process, sales and marketing support, and professional services support, among others that are available to channel partners.	5.0
Other offering capabilities	The vendor has well-developed, sustained, and relevant accurate ecosystem partnerships. These partnerships add value by augmenting video/UC portfolio capabilities and brand reputation. Partnerships receive adequate attention from each partner company.	4.0
Total		100.0

Source: IDC, 2018

**LEARN MORE****Related Research**

- *IDC TechScape: Worldwide Unified Communications and Collaboration Technologies, 2018* (IDC #US43979918, June 2018)
- *Worldwide Unified Communications and Collaboration Forecast, 2018-2022* (IDC #US43836518, May 2018)
- *IDC's Worldwide Enterprise Networking Predictions, 2018* (IDC #US42896418, March 2018)
- *IDC Predictions 2018: Worldwide Enterprise Communications Infrastructure* (IDC #US43581218, February 2018)
- *IDC's U.S. Enterprise Communications Survey 2017: Enterprise Videoconferencing Solutions* (IDC #US43212017, November 2017)
- *Market Analysis Perspective: Worldwide Unified Communications and Collaboration, 2017* (IDC #US43066217, September 2017)
- *How Are Organizations Accessing Video Sessions Today?* (IDC #US42964517, August 2017)
- *IDC MarketScape: Worldwide Unified Communications and Collaboration 2017 Vendor Assessment* (IDC #US42843515, July 2017)

## Synopsis

This IDC study uses the IDC MarketScape model to provide an assessment of 12 providers in the worldwide enterprise videoconferencing market. The IDC MarketScape is an evaluation based on a comprehensive framework and a set of parameters that assess vendors relative to one another and to those factors expected to be most conducive to success in a given market during the short term and the long term.

"Based on the recent IDC end-user survey results, organizations remain positive about the deployment and use of videoconferencing solutions, despite the recent shipment and revenue declines in video equipment. This includes using video in more collaborative ways for engaging employees and driving improvements in bottom-line results," said Rich Costello, senior research analyst, Enterprise Communications Infrastructure at IDC.

## About IDC

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