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by Nick Edser

DEMAND FOR VIDEO CONFERENCING SURGES

While the airline industry has seen a huge drop in passenger numbers since last month's terrorist attacks, one industry has been benefiting from people's reluctance to fly. Firms selling video conferencing equipment say they have seen a massive increase in demand since 11 September.

The technology has been around for years. But often poor sound and picture quality has meant people have preferred to travel to meetings, despite the cost and time involved. High-speed networks have now allowed much higher quality video links to be established, and the industry is hoping that new converts to the technique will stick by it even when security fears ease.

Instant reaction

In the immediate aftermath of the terrorist attacks there was a "huge surge" in demand for conferencing services, said Martin Brommell, global marketing manager at BT Conferencing. BT saw demand for video conferencing rise by 85% in the week following the attacks. While demand has subsequently cooled, it is still 25% higher than normal.

Video Meeting Company, another firm in the market, revealed a similar scenario. The company's marketing director David Walsh said the firm saw a huge increase in interest after the attacks, which has been maintained into October. "A greater sense of urgency has been given to the whole industry" since the events of last month, he said. Companies that had previously been undecided about the systems were now buying them.

Long-term customers?

Operators are now hopeful that video conferencing will now become an everyday way of communicating within and between firms. David Walsh said it can often take a one-off event for a piece of technology to come into its own, noting that the use of faxes really took off in the UK following a number of mail strikes. And with the economy slowing, travel budgets are often the first items to be cut when firms look to trim costs. "Although it's unfortunate with the combination of recession and the war, people have got to look to alternatives," he said.

Costs

Costs for video conferencing equipment vary widely depending on what type of system is chosen. The Video Meeting Company said an average system will cost about J6,500-J7,000, including installation and training. When installed it costs about J9 an hour for use within the UK, and about J120 an hour to the US.

Another video conferencing company, Teliris said its system has eliminated any delay on or loss of sound, and delivers DVD quality pictures.

But it does not come cheap - installation costs start at \$120,000 (J83,000) per room. It also costs \$13,000 (J9,000) a month for a dedicated fibre-optic line, although this is kept open all the time and can be used to transmit data as well as pictures. Teliris - which is chaired by former BBC news presenter Martyn Lewis - said the quality of its sound and pictures made it the first of a new generation of video conferencing operators. Mr Lewis claimed that if you are using the link to deliver bad news to someone "you can actually see their cheeks reddening." And he said the technique is cost effective. Not only are savings made on both air-fares and time, but executives are also able to work more effectively because they are not jet-lagged.

Family-friendly

But video conferencing will never completely replace the need for meetings in the flesh, said Angela Baron from the Chartered Institute of Personnel and Development. "There are always going to be some times when you need to meet face-to-face," she said. "You'll never get all the nuances of a meeting through video conferencing." She added that there is room for many different types of communication within a firm - phone, fax, e-mail and video conferencing.

"It is important that companies learn to recognise what is the most appropriate form of meeting in the different circumstances." Video conferencing could be a great relief to over-stressed executives who rarely get to spend any time at home, she added. It could be a boon for family friendly policies because people won't be constantly jetting off to other places."