

Telecommunications International

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A NEW IMAGE FOR VIDEOCONFERENCING

Although the IP videoconferencing industry is experiencing growth, there's still no evidence of widespread understanding among business users about its benefits.

The real barrier to videoconferencing take-up has been the bad user experience. At least that's the view of Mark Roberts, director of business development for Polycom Network Systems, a company which produces videoconferencing networks and end-units. "People tried it in the past and then didn't bother again," he says. "This was mainly because the quality wasn't good enough, they suffered with unreliable connectivity, and the fact that systems were difficult to set up, operate and maintain".

Another uncertainty facing videoconferencing is how well it can compensate for a face-to-face meeting. If, as in the past, the experience is unsatisfactory then the price of an air fare might actually be a more cost-effective proposition.

IP video boom?

The perception of videoconferencing today is of a poor quality 'head and shoulders' image of one or more people on a small screen - 'a postage stamp meeting' as Mark Trachtenberg, chief technology officer of video meeting company, Teliris, describes it. He points to the New York Times a few weeks ago, which pictured a videoconferencing meeting between the president of the US, George W. Bush, and a number of high-level colleagues across the US, using a 4-quadrant split screen into which 17 people were 'all squashed like sardines'.

He believes the real value of videoconferencing will be in creating the 'meeting experience' as closely as possible. "What people want out of videoconferencing is to replace the actual need to travel," insists Trachtenberg.

It is true to say there has been a change in attitude towards the necessity to travel, particularly since the events of 11 September in New York. The decline in travelling and the increased awareness of security has led to greater interest in videoconferencing.

Trachtenberg claims since October 2001 Teliris, which has currently installed 13 video conference systems over the eight months it has been in operation, has had to accelerate its business plans by 6-8 months, while there has been a four-fold increase in customer enquiries.

Ray McGroarty, PictureTel Corporation, a manufacturer and developer of videoconferencing solutions (formerly acquired by Polycom in October), adds that there has been a new surge labelled 'telecom travel' as senior business leaders recognise the need to communicate with clients and colleagues in a radically different way. PictureTel

also estimates that videoconferencing usage has risen by 25-30 per cent in recent months.

Revenue for service providers

For DSL-based service providers, IP videoconferencing could offer potential new revenue streams. "ISPs have a tremendous network of fibre being laid in the ground at the moment. They need paying customers to use that bandwidth, stimulate business and drive revenues," says Phil Sewell, managing director, Global VideoCom, which specialises in videoconferencing.

He claims a videoconferencing application can chew up to 15 times the amount of bandwidth a straightforward connection to the internet does. Service providers will be able to justify the competitive price per megabyte by offering high-quality reliable end-to-end connectivity for videoconferencing services.

"Simple connections to the internet do not take a high level of performance. With videoconferencing, service providers will have to prove and demonstrate that they are offering real QoS because it will be obvious by the state of the image and audio if they're not," argues Sewell.

Andrew Davis, a consultant with Wainhouse Research, a company which monitors the videoconferencing market, adds: "There is more movement among service providers to offer services that are video centric. For example, if ISPs are clever they could turn videoconferencing into a greater revenue generator by selling premium services to go alongside it, such as fixed IP addresses, QoS and firewall protection".

Davis also insists that, "Service providers are the 'hope' for the videoconferencing market because they have the capability to address the unreliability of the network which is currently letting the equipment down".

Security and the complexity of the IP network are critical issues currently facing the market. Providing an infrastructure for reliable point-to-point and multipoint communications is a tough challenge.

To allow businesses to fully leverage the benefits of video over the H.323 standard (videoconferencing over packet networks), new technologies are being incorporated into conferencing bridges and gateways. For example, as Dave Gallagher, VP of business development, Polycom, explains, "Every ISDN line has its own unique and public telephone number that can be dialled with a high degree of connection success from any other ISDN line in the world. With IP, your correspondent may not know their IP address, may not be willing to divulge it, or may have a private address that has no meaning to the public internet, making it inaccessible".

A conferencing gateway can remedy this situation by allowing its IP resources to be controlled by a gatekeeper. That gatekeeper, a device responsible for routing and addressing calls, can then effectively route both incoming and outgoing H.323 traffic destined for your conference using simple aliases such as 'Myendpoint'.

Audio competition

"The alternative to travel is not just videoconferencing," argues Andrew Pearce, EVP, Genesys conferencing, which offers audio, video and web conferencing facilities. "There

is also audio conferencing and web-based conferencing. There has just been more focus on videoconferencing, perhaps because there is the perception that it is more interesting”.

In fact, Pearce believes that it is the combination of audio and data that will be the “richest mix” for conferencing in the future. Genesys calls this the ‘collaboration market’ and it has launched the Meeting Centre , a user-managed conferencing platform which allows the user to conduct interactive virtual conferences over the internet and telephone.

“Everyone thinks of videoconferencing as the major conferencing market. But within the global conferencing market worth US\$3 bn (€3.4 bn), 80 per cent is audio conferencing,” asserts Pearce. “I think audio and web conferencing will squeeze the video market even further. By 2005, the market is estimated at US\$11 bn (€12 bn) with 55 per cent being web conferencing.

“His argument lies in cost and the ubiquity of telephones and PCs. “There is a big cost gap between a video conference and an audio conference call. There has to be strong justification for people to pay that difference,” he says.

Unlimited usage of the web and collaboration services via the Genesys Meeting Centre, with up to 15 participants (seats), costs J35 (€57) per month for Genesys’s audio customers. Additional participants are charged 25 pence per minute. For customers that are not registered Genesys conference users, monthly fees will start from J170 (€280) for five participants (seats).

Teliris’ Tractenberg admits: “Cost has been a stumbling block in the traditional videoconferencing market because it wasn’t value for money.” Teliris’ products, including the VirtuaLive™, a telemedia platform which provides ‘*interactive telepresence*’, range between US\$80,000-120,000 (€89,000-134,000). He points out that the company offer a monthly payment scheme which has proved popular in the current economic climate.

Polycom’s Roberts also believes that it is only once consumers start using videoconferencing systems that they will see the real benefit. Its Viewstation range of videoconference room systems starts at US\$4,000 (€4,500) moving up to US\$15,000 (€16,800).

Driving forces for IP videoconferencing

- endpoints are becoming lower in costs, supporting more features and functions. Many have embedded web servers and are manageable from centralised, remote locations so that smaller support staff can maintain larger deployments;
- the needed infrastructure equipment, gateways, gatekeepers and MCUs (multicontrol units) are becoming less expensive, more reliable, scaleable and functional;
- service providers are becoming more active in the IP arena. This involves multiple business issues ranging from making IP networks more available to support quality of service on their network, to peering with other networks and carriers, to providing lower cost and more flexible contracts;
- some vendors are beginning to talk about end-to-end solutions, a concept that the end-user community has been looking for to lower the risk of moving towards IP conferencing. By providing an umbrella over endpoints, infrastructure and network, vendors will be able to guarantee that rich media conferencing over IP will work as customers want and need

Source: Conferencing Markets & Strategies, Volume 2, Wainhouse Research (October 2001)

Seeing is believing

"There are substantially better reasons now why companies should embrace videoconferencing," asserts Global VideoCom's Sewell. "The network and technology are ready at low cost and high availability with an improved user experience. People just don't realise it works".

His opinion is echoed throughout the market - the problem that there is not enough awareness about the capability of IP videoconferencing, and how it can benefit businesses and organisations.

Over the last 12-18 months, Global VideoCom has seen its customer base change. 95 per cent were corporate users, this has now dropped to 70 per cent as segments, such as the medical profession, education and recruitment, show greater interest and take-up of videoconferencing services.

"We are almost seeing an underground movement of the re-invention of videoconferencing where specific applications can be proven to be of commercial benefit," claims Sewell.

It is a market that will not transform overnight. "It will take time to develop and it will become a huge application. It might take 15 years until the 'video centric' generation take over but we will see steady growth," adds Wainhouse's Davis.