

Asia Pacific Conferencing Services Market CY 2005

4B42-64

November 2006

Frost & Sullivan takes no responsibility for any incorrect information supplied to us by manufacturers or users.

Quantitative market information is based primarily on interviews and therefore, is subject to fluctuation.

Frost & Sullivan research services are limited publications containing valuable market information provided to a select group of customers in response to orders. Our customers acknowledge when ordering that Frost & Sullivan research services are for our customers' internal use and not for general publication or disclosure to third parties.

No part of this research may be given, lent, resold, or disclosed to non-customers without written permission.

Furthermore, no part may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the permission of the publisher.

For information regarding permission, write to:

APAC Sales Manager

Frost & Sullivan

100 Beach Road

#29-01/11, Shaw Tower

Singapore 189702

Table of Contents

| | |
|---|----|
| ▪ Introduction | |
| ▪ Executive Summary | 5 |
| ▪ Research Scope and Methodology | 10 |
| ▪ Total Conferencing Services Market | |
| ▪ Major Market Findings | 15 |
| ▪ Market Engineering Measurement Analysis | 20 |
| ▪ Market Drivers | 22 |
| ▪ Market Restraints | 23 |
| ▪ Revenue Forecasts | 24 |
| ▪ Revenue Analysis by Geographic Region | 28 |
| ▪ Vertical Analysis | 43 |
| ▪ Competitive Structure | 46 |
| ▪ Market Share Analysis | 48 |
| ▪ Audioconferencing Services Market | |
| ▪ Major Market Findings | 58 |
| ▪ Revenue Forecasts | 61 |

Table of Contents

| | |
|-------------------------------------|----|
| ▪ Trends by Service Type | 63 |
| ▪ Pricing Analysis | 64 |
| ▪ Market Share Analysis | 65 |
| | |
| ▪ Videoconferencing Services Market | |
| ▪ Major Market Findings | 71 |
| ▪ Revenue Forecasts | 74 |
| ▪ Trends by Service Type | 76 |
| ▪ Pricing Analysis | 77 |
| ▪ Market Share Analysis | 78 |
| | |
| ▪ Webconferencing Services Market | |
| ▪ Major Market Findings | 82 |
| ▪ Revenue Forecasts | 85 |
| ▪ Trends by Service Type | 87 |
| ▪ Pricing Analysis | 88 |
| ▪ Market Share Analysis | 89 |

Introduction

Executive Summary

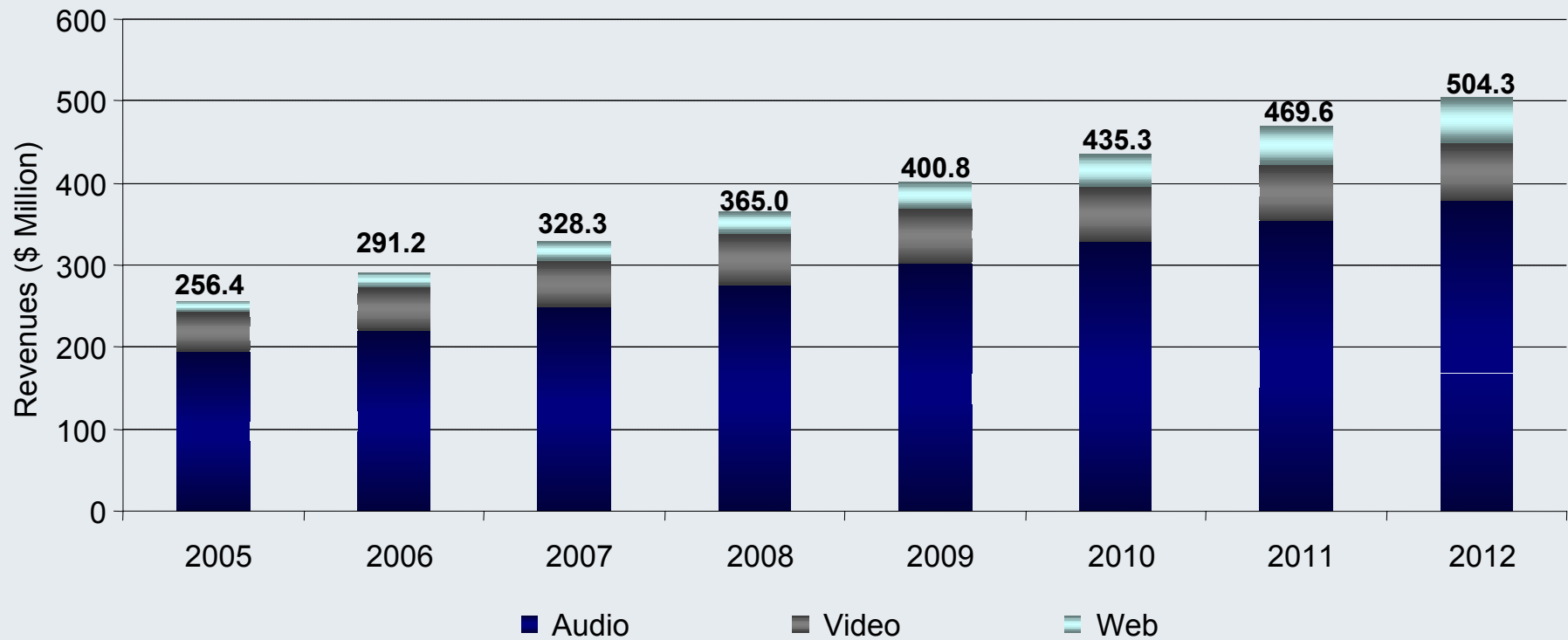
- 2005 was another impressive year from the conferencing services market in Asia Pacific. The market was valued at \$256.4 million with positive growth experienced by all key players. Revenues largely hinged on strong growth in major countries, i.e. Australia, Japan, Hong Kong, Singapore and China, however demand from other Asian countries also picked up steadily.
- The market swelled to over 1 billion on minutes of usage, owing to the fact of heightening awareness of conferencing to increase productivity, as well as continued reluctance on traveling abroad due to terrorism and past epidemics such as SARS and bird flu.
- Price decline was observed in all markets particularly in China and India, due to intensifying price wars among local service providers and exacerbated by high price sensitivity among enterprises. In 2005, the decline rate stayed in the range of 5 to 35 percent, witnessing steeper falls in audio and web segments.
- Reservationless/ on-demand conferencing services continued to gain clout in the Asia Pacific market, rising to a new high of 87.7 percent. While the shift towards reservationless conferencing is inevitable, the value-added services still hold a substantial share in the videoconferencing segment, serving mainly the legacy customers who are accustomed to this service offering.

Executive Summary (Contd...)

- Competition among the multinational service providers is heating up due to the wave of consolidation reshaping the competitive landscape. The playing field has narrowed further, witnessing players competing head-on in major markets and tapping into emerging markets.
- The Asia Pacific market is anticipated to double its revenue to \$504.3 million by end of 2012, enjoying strong compound annual growth rate (CAGR) of 10.1 percent. Lower pricing of conferencing services, growing demand for reservationless conferencing, increased use of conferencing as a way to increase productivity, service quality enhancements, ease-of-use, and development of next generation IP networks are among the major drivers hastening the growth of conferencing services.
- The Asia Pacific market is expected to grow steadily in the next few years as the transition to IP becomes pervasive. Relatively mature markets such as Australia and Japan and countries with better IP infrastructure such as Hong Kong, Singapore and South Korea are expected to benefit most from this emerging trend in near term.
- The web segment is forecasted to witness the strongest CAGR of 21.4 percent, given the optimistic outlook for convergence of communication technologies around IP networks, integration of web with enterprise communication tools and bandwidth capacities (cheaper, faster, more widely available).

Executive Summary

Conferencing Services Market: Revenue Forecasts (Asia Pacific), 2005-2012



Note: All figures are rounded; the base year is 2005. Source: Frost & Sullivan

Executive Summary

Conferencing Services Market: Conferencing Services Market Timeline (Asia Pacific), 2006-2012

2006

- Reservationless services gain stronger growth momentum
- Vendors pushing adoption of integrated audio webconferencing
- Continuing commoditization pushes players to invest in R&D to differentiate and add functionality and value

2009

- Features found in operated assisted calls find their way to reservationless conferencing
- Conferencing services delivered via IP will increase in availability and usage

2012

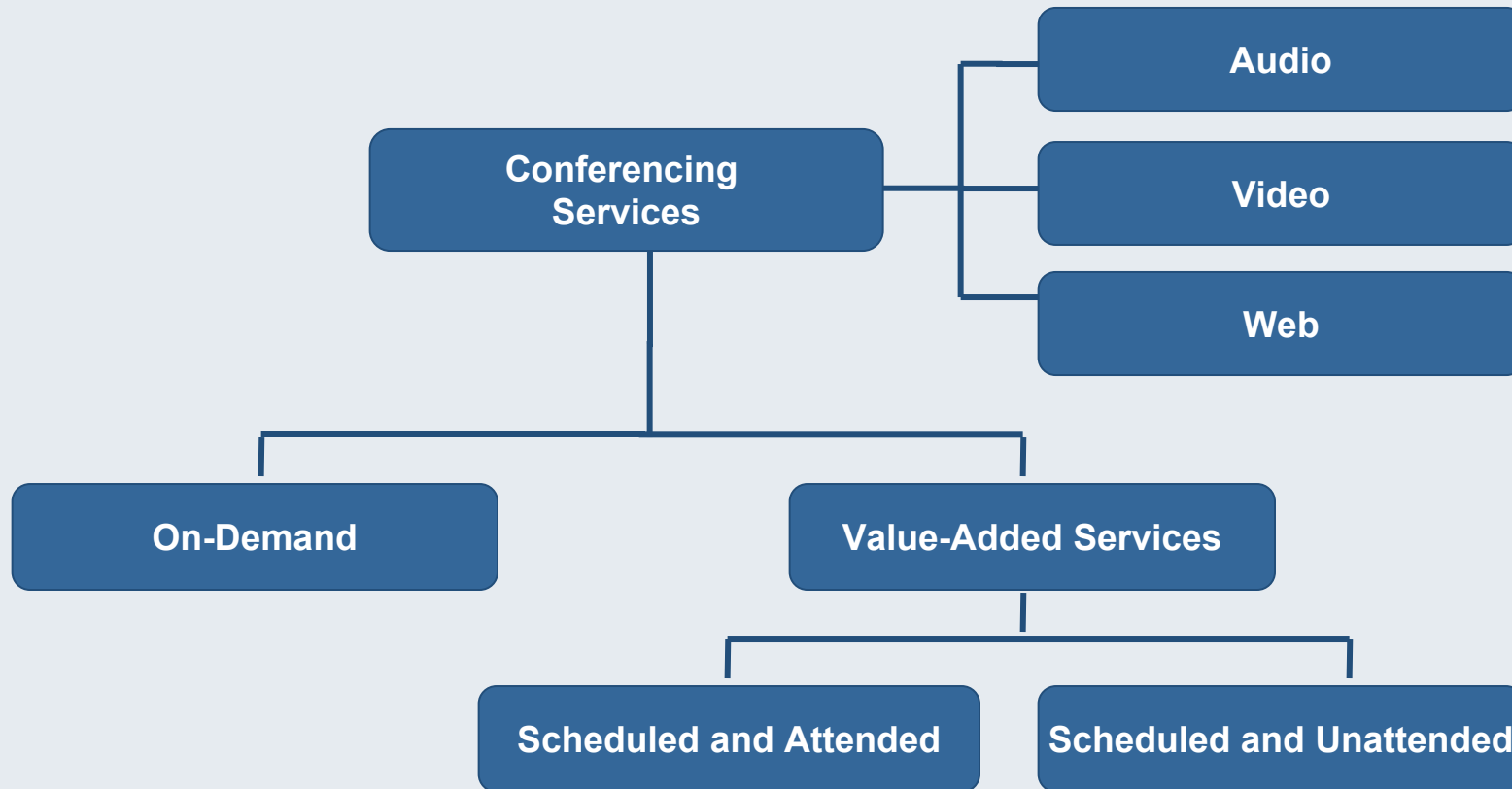
- Price erosion slows down but still a major concern
- High growth from emerging countries; China and India
- Heightening integration of audio, web, video, IM, email and presence
- Revenues continue to grow with contribution from pure IP services growing significantly
- IP becomes the standard for conferencing
- Competition increases as on-premise collaboration suites include all forms of conferencing

Source: Frost & Sullivan

Research Scope and Methodology

Research Scope and Methodology

Conferencing Services Market: Research Scope (Asia Pacific), 2005



Source: Frost & Sullivan

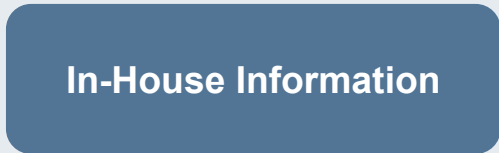
Research Scope and Methodology

- Revenues include direct revenues by technology service providers and indirect revenues from resellers.
- All revenues are end-user revenues. Wholesale revenues derived from the technology service providers, have been included as part of the reseller partners' total. This is to reflect true market share in terms of customer's subscription of services.
- The study does not include the following:
 - Revenues from managed service providers (i.e. services based on customer-owned equipment).
 - Revenues from customer-managed services, whereby the customer manages in-house solutions using networks provided by a network provider.
 - Revenues from consumers who use the public room conferencing services.
 - Hardware/ software sales, installation and maintenance and consumer grade services.

Research Scope and Methodology

Conferencing Services Market: Research Methodology (Asia Pacific), 2005

Secondary
Research



Primary
Research



Source: Frost & Sullivan