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REPORT 2019:

Collaboration Technology

Collaboration Technology is likely to see strong growth on the back of increasing innovation and customer demand, writes Dominic Bayley.

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Image courtesy of Logitech

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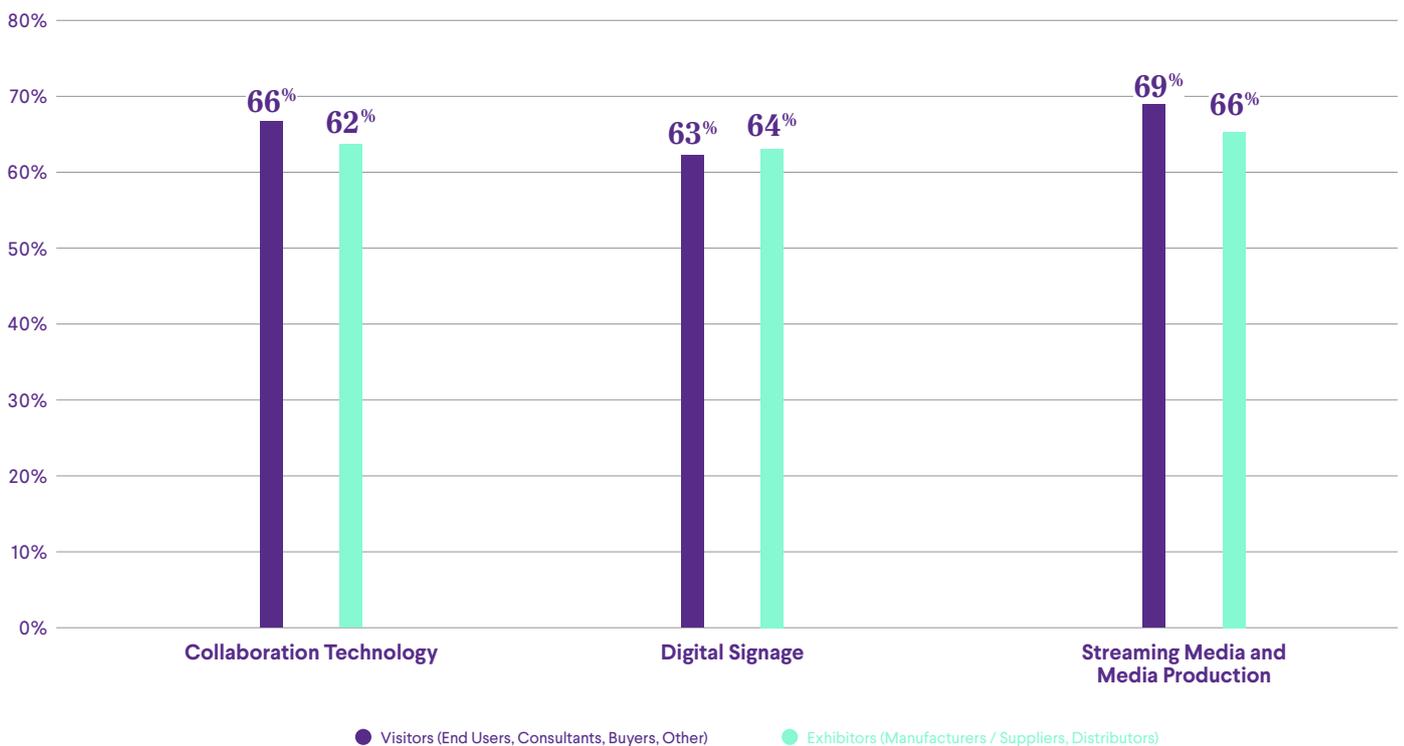
Collaboration Technology

This report draws on information sourced from a recent survey of audio-visual (AV) industry professionals. It includes valuable insight and data

about the current Australian and New Zealand Collaboration Technology market now and in the next two years.

About two in three (66 per cent) of visitor respondents are end users, consultants and buyers, and 62 per cent of supplier respondents are manufacturers, suppliers and distributors who claim to operate in or purchase from the product category 'Collaboration Technology'.

Product areas operating in



15% of visitors and exhibitors do not operate in any of the product areas listed

The status of the Collaboration Technology market: An overview

According to the latest industry research, the Collaboration Technology market in Australia and New Zealand is rapidly evolving in the AV category and is expected to experience strong growth and demand in the next five years. Deloitte estimates Australia's collaboration economy, which includes technology, to be worth about \$46 billion annually.

The global enterprise ICT collaboration market was valued at US\$32.74 billion (\$48.43 billion) in 2018 and is expected to grow with a compound annual growth rate of about 10.7 per cent until 2024.

Growth is expected to be driven largely by a range of hardware and software innovations that will allow more employees to collaborate more frequently and effectively with video and mobile screen sharing technologies.

Key drivers for growth in the project management and analytics vertical include emerging cloud-based software solutions that offer multimedia collaboration as a viable and inexpensive replacement of existing infrastructure-based Unified Communications platforms.

Intermediary solutions such as APIs Integration are also expected to play a significant part in market growth in this vertical.

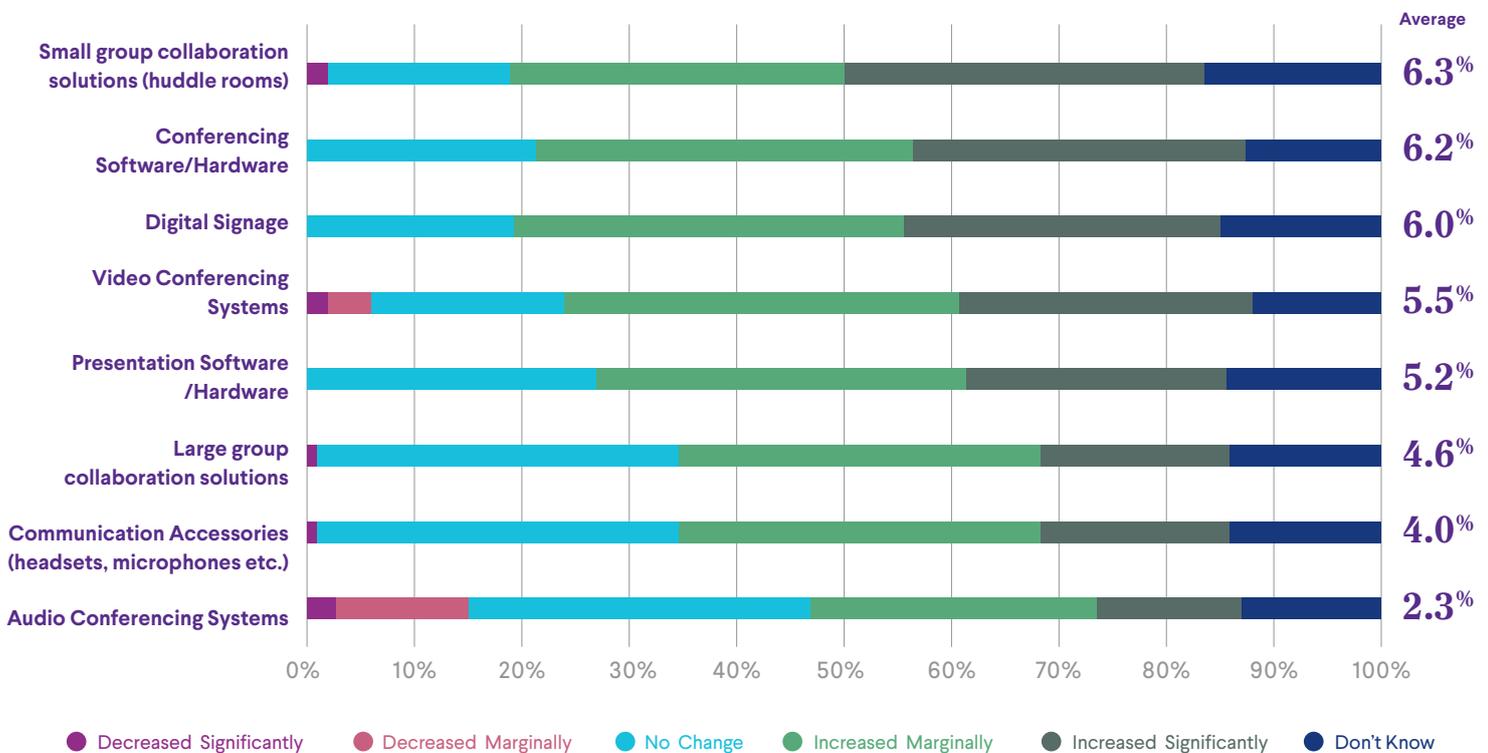
In the communication and IT vertical, a high demand for Small Group Collaboration solutions like huddle rooms is expected to continue.

Demand by product category: Survey findings

Survey respondents display great optimism about market growth in the Collaboration Technology sector, predicting growth in all the surveyed industry product categories.

Demand for collaboration technology products

For each of the following collaboration technology product types please state how you anticipate the demand for each will change over the next 2 years?



On average, the Small Group Solutions and Conferencing Software and Hardware product categories are expected to experience the greatest increase in demand over the next two years. High growth in demand is also expected for Digital Signage.

No decline in demand is expected for any of the individual Collaboration Technology product categories included in this survey in the next two years.

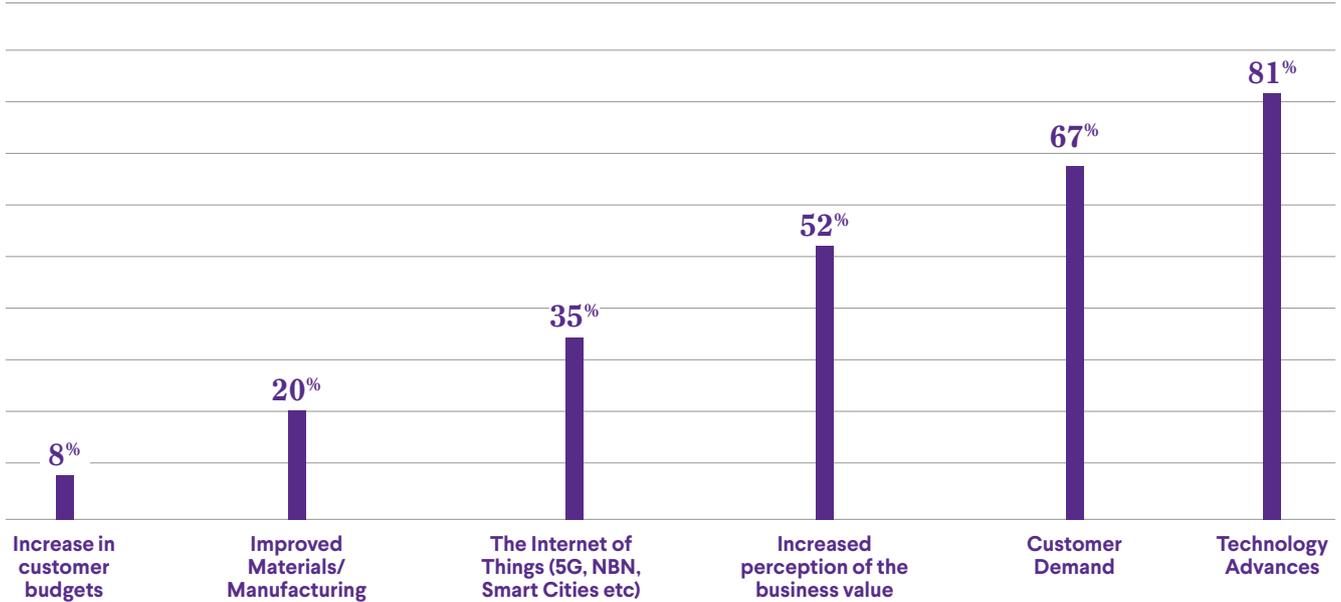
Key drivers increasing demand

The main driver for an expected increase in demand for Collaboration Technology is believed to be technological advances in products.

The second most commonly identified reason is increasing customer demand.

Driving increased demand

For the products you feel there will be an increase in demand for, what do you feel is driving up demand for these products?

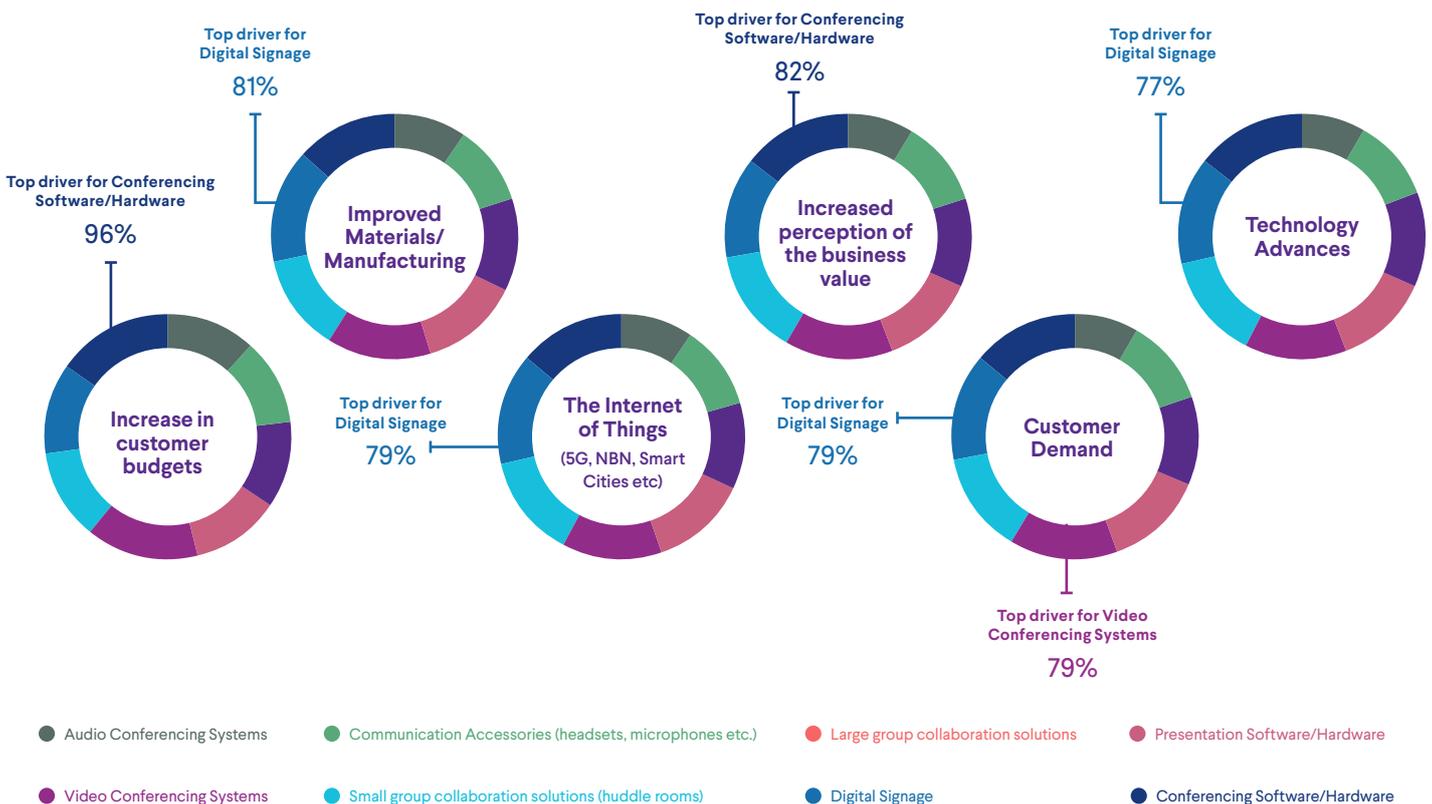


2%: Other

These responses validate wider market sentiment pointing to increasing technological advances in software and hardware as drivers for customer demand. For example, allowing a bring-your-own-device strategy for huddle spaces.

Driving increased demand

While Technology Advances are predominately driving demand cross all categories, each product has variations in their own top drivers, according to responses.



Demand is also largely being driven by the perception by business leaders they could increase the value of their businesses with Collaboration Technology.

Collaboration Technology is becoming increasingly useful for businesses wanting to communicate faster and more efficiently, to share ideas, connect with external stakeholders and increase productivity.

Interestingly, an increase in customer budgets or improved materials and manufacturing of Collaboration Technology is not expected to have a major impact on demand.

The vast majority of respondents who believe an increase in customer budgets is likely to increase demand in Collaboration Technology believe Conferencing Hardware and Software products are likely to be the reason for this increase. This could suggest companies tend to purchase these products when operating budgets allow for more discretionary spending.

Key drivers decreasing demand

Those who anticipate a decrease in demand for Collaboration Technology products believe this will be driven by technology becoming obsolete.

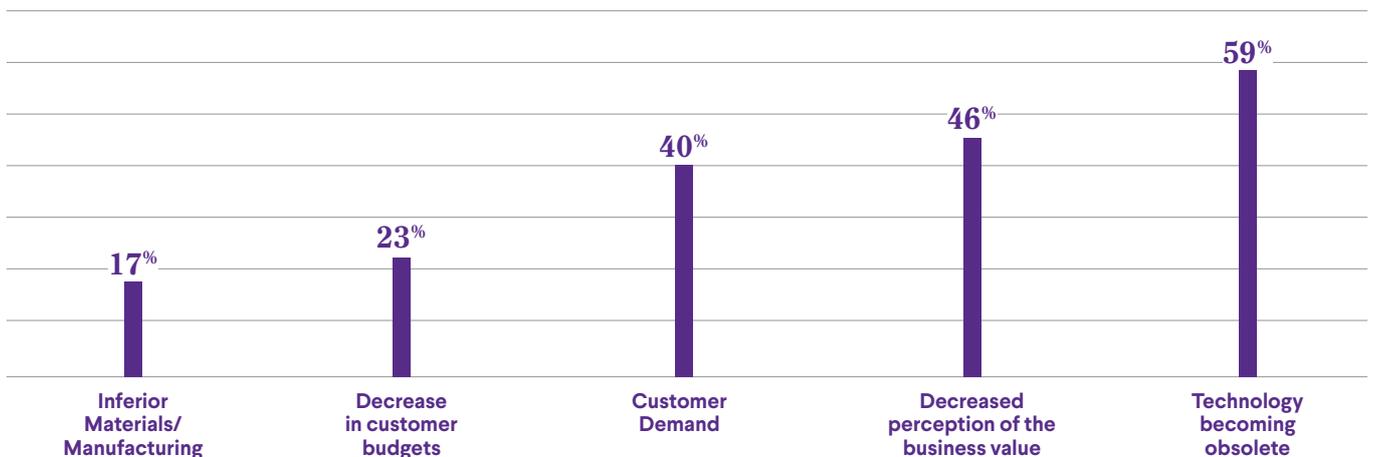
A business perception Collaboration Technology could decrease company value is the next most popular reason for an expected decrease in demand.

Regardless of the reason identified for weaker demand in Collaboration Technology (either obsolescence of technology or a decreased perception of business value), industry professionals expect the largest decrease to be in the Audio Conferencing product category.

This finding indicates an expected shift in the marketplace from Audio Conferencing towards Video Conferencing, thanks largely to recent improvements in bandwidth and IP connectivity that has made Video Conferencing more viable.

Driving decreased demand

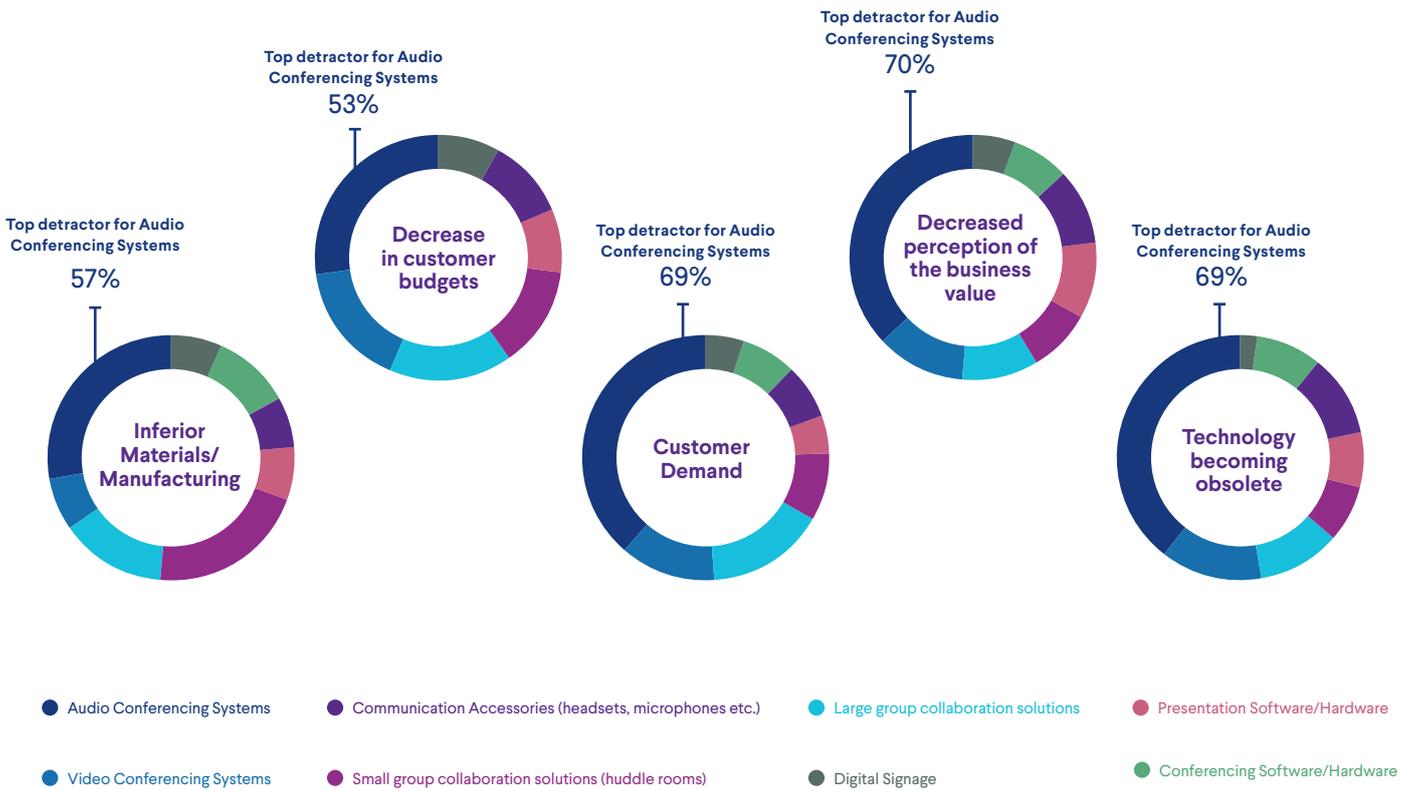
For the products you feel there will be a decrease in demand for, what do you feel is driving down demand for these products?



5%: Other

Driving decreased demand

While technology obsolescence is predominately decreasing demand cross all categories, it is most prominent in audio conferencing systems.



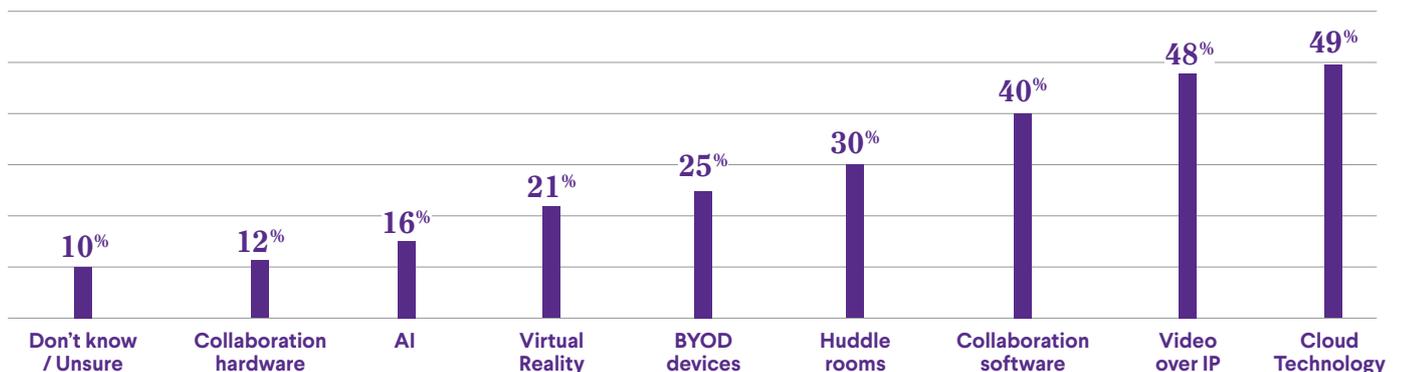
Key trends affecting Collaboration Technology

The survey identified eight main key trends within the Collaboration Technology market. The two most significant are Cloud Technology and Video Over IP.

The next most commonly identified product trends include Collaboration Software, Huddle Rooms, BYOD Devices, Virtual Reality, AI and Collaboration Hardware.

Key trends

What do you feel are the key trends within collaboration technology right now?



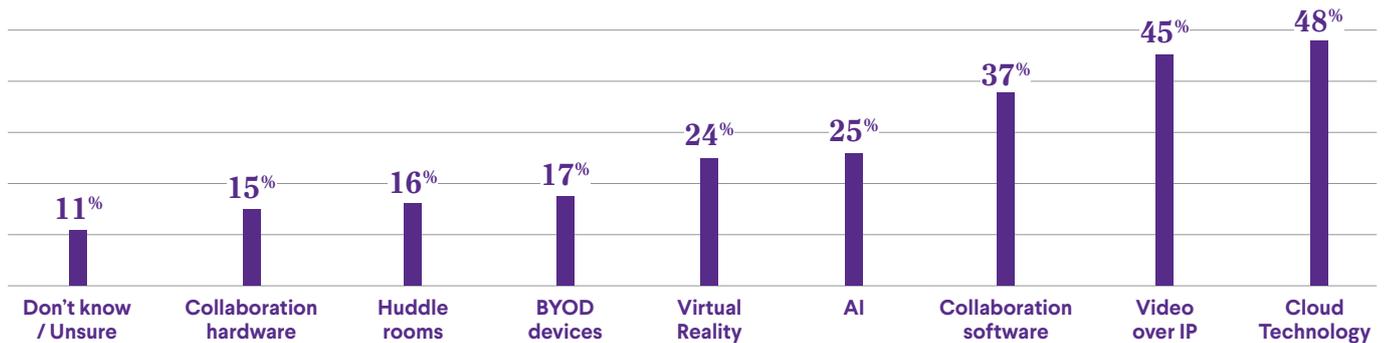
Major impacts

Cloud Technology and Video Over IP are trends likely to have the most impact on the AV industry in the next 12 months. These results are consistent with responses for key trends in the AV industry.

Cloud technologies and Video Over IP technologies are cost effective, reliable and provide significant flexibility and agility for business operations.

Product impact

Which of the following collaboration technology products do you feel will have the greatest impact on the AV industry over the next 12 months?



Regarding the type of impact these trends are likely to have on the AV industry in the next 12 months, the most significant is expected to be that Collaboration Technology will become more prevalent.

The next most common expectation is current market trends in the Collaboration Technology market will drive productivity and efficiency, allowing for easier enterprise collaboration.

There is a significant but smaller expectation these trends will lead to more huddle rooms and workspaces, including an increased rollout of soft conferencing spaces.

Furthermore, it's believed these trends will lead to a further reduction in the barriers of time and distance in collaborative work and greater collaboration everywhere.

Impact of trends

What do you think the impact of these trends will be on collaboration technology as a whole?

Will become more prevalent in the workplace

24%

Greater acceptance of this technology as a "base" requirement for business

Increased use by more businesses

Enhanced efficiency and productivity

21%

More and easier collaboration

Quicker response and better solutions

A shift from hard to soft systems

7%

Trends are towards soft codecs over hard codecs with companies like Zoom and Microsoft gaining market share

Moving away from complex hardware solutions

More huddle rooms and work stations

7%

Increased rollout of soft conferencing spaces, e.g. Zoom Rooms and MS Teams

More huddle rooms

Distance and time difference will become less of a barrier

6%

Collaborate with anyone at anytime

Collaboration everywhere

Conclusion

The market for Collaboration Technology is expected to see strong growth in the next five years.

Report findings show the largest increase in demand is expected in the Small Group Solutions and Conferencing Software and Hardware

product categories, driven mainly by technology innovation and increased customer demand.

Key market trends include a greater adoption of cloud technologies and IP Video, where high-quality Video Conferencing is expected to fuel enterprise collaboration in coming years.

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It has become a hub for global and local influencers and brands to share their insights, innovations and technologies that will drive tomorrow's digital transformation.

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explori

Explori conducted this research on behalf of Diversified Communications Australia.

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