User Experience Drives Conferencing Adoption

Cisco gains traction over competitive conferencing services

Executive Summary

Every organization has its own approach to collaboration, and often each team has its own way of collaborating. The way one department or group of employees works together as a team may not be appropriate for another group. And how they interact may change over time with projects or as team members transition. For this reason, collaboration solutions need to be flexible, mature, and feature-rich.

Collaboration solutions enable geographically dispersed team members to work together in productive ways. Solutions come in many forms and support asynchronous and/or real-time communications that include:

- Voice-centric technology for audio conferencing
- Video-centric technology that lets members meet face-to-face
- Screen- and application-sharing applications
- Room-based systems that enable groups to meet across distances
- Shared document repositories
- Co-authoring productivity applications
- Persistent messaging spaces

While many point solutions deliver a subset of these collaboration capabilities, web conferencing services have emerged as the most flexible, omnipresent solutions, with an extensive set of features, mature technologies, and a large base of users. Web conferencing combines audio and video communications with content sharing, face-to-face interactions, and device and location neutrality.

Several solutions offer cloud-delivered web conferencing services, but Cisco WebEx and Microsoft Skype for Business have emerged

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as sector leaders. Both leverage existing solutions commonly found in the enterprise, and both can be added to existing enterprise licensing agreements. Both have expanded from premises-based-only solutions to include cloud-delivered subscription options. This report examines the relative merits of the two.

Evaluating the technical specifications of these two solutions side by side is difficult and time-consuming. Features do not line up precisely, as both companies are pursuing rather different technology roadmaps and are integrating conferencing into different sets of business software. That said, both companies offer highly robust solutions for conferencing that share more similarities than differences.

A key difference that does emerge upon comparison is that Cisco WebEx is significantly more popular as a conferencing solution. Obvious factors explain this popularity, including the fact that Cisco has a more established presence in the market compared with Microsoft. More importantly, there is ample evidence that users prefer Cisco's solutions. Adoption is a more critical factor than ever before. If employees don't like a provided solution, they will find one of their own. The result can be a plethora of cloud-delivered alternatives that can raise security, compliance, and financial concerns for an organization.

Adoption is Not Just About Features

Existing communications and collaboration tools are each optimized for a different type of interaction:

- Email is best for longer messages to multiple recipients.
- Instant messaging is for shorter, time-sensitive interactions with a single recipient or a small number of recipients.
- Workstream messaging is emerging as a form of collaboration preferred by distributed teams that share content both internally and with external participants.

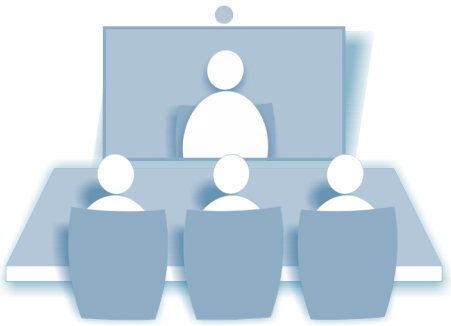
These tools can be useful, but all too often, their accessibility results in dysfunctional collaboration, as participants are unsure exactly how to collaborate.

As with all technologies, the adoption and features of collaboration tools often are unrelated. Most IT organizations can cite examples of "great technology" that went unused because it failed to interest users. Adoption (or lack of it) lies in that tricky area between making a net contribution in productivity and not getting in the way of what end users need to accomplish in the course of their workdays.

It sounds simple, but it isn't. Companies carefully evaluate technologies in terms of pricing,

capabilities, and supportability – but adoption is often assumed. It's unfortunate, because the financial, productivity, and opportunity costs associated with poorly adopted technology can be staggering.

From a business perspective, it is often difficult to determine which collaboration technology is best, is most likely to be used widely, and has the most staying power. Making capital investments in collaboration and conferencing solutions is not trivial. A web and video conferencing provider entails more than a long list of features and technical capabilities. It's an extension of the work environment that should include participants in different locations, regions, and even companies.



Web and video conferencing are intuitive ways for employees to communicate and collaborate, but don't assume they will adopt these forms of collaboration automatically. End users' requirements are changing rapidly with increased familiarity, experience, and more capable mobile devices. As just one example, participation from a remote, wireless mobile device was not practical just a few years ago, whereas now it is becoming commonplace.

Collaboration technologies are evolving quickly, too, which means that cloud services offer an inherent advantage with regard to upgrades. The use of cloud technologies for collaboration has reduced the risk of adoption by eliminating or lowering long-term capital investments. While this decreases financial risk, it does little to assure adoption. The lower financial bar, however, makes it easier to evaluate cloud services. Organizations should consider piloting new cloud-based technologies to gauge adoption success before moving forward with full implementation.

Conferencing from Cisco and Microsoft

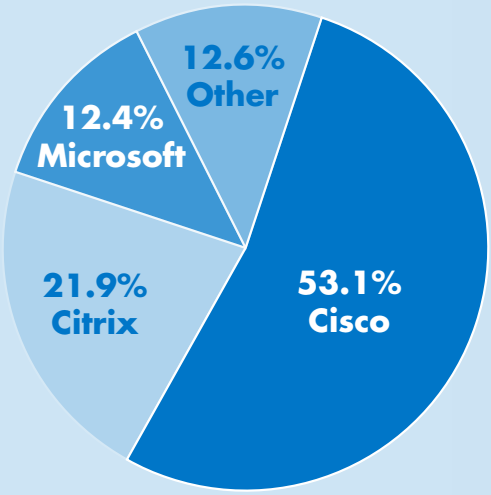
Both Cisco and Microsoft offer enterprise conferencing solutions.

Cisco's core conferencing solution is WebEx, which includes Telepresence for video conferencing and Unified Communications Manager for UC. Cisco is currently integrating these solutions into Cisco Spark.

Microsoft's core solution is Skype for Business, which includes elements of Exchange, Yammer, and the Office productivity suite. Microsoft is in the process of converging many of these point products into its cloud-based Office 365 service.

Cisco is the dominant provider of web and video conferencing services. According to Synergy Research Group, Cisco commands more than 53% of the market.[1] This large customer base reflects the degree to which enterprises have come to rely on WebEx for conferencing, both internally among geographically dispersed

Worldwide Web Conferencing Share by Revenue Q2-2016



Source: Synergy Research, Cloud SaaS Services market share and forecast, Q2 2016

employees and externally with customers, prospects, and business partners. And Cisco's presence in the market is growing, with revenues from its web conferencing increasing 15% in the past year, and overall market share increasing by nearly 3%.

Microsoft is much newer to the space, but has grown tremendously. Lync, introduced in 2010, featured conferencing as a key service. Over the years, Lync was relaunched as Skype for Business and now includes an extensive set of conferencing features available as a service within Office 365. Skype for Business has less than a 12% web conferencing market share – a much smaller figure than Cisco's share, though one that's growing.

Cisco WebEx

WebEx was founded in 1996 and acquired by Cisco in 2007. It is among the most established, most mature conferencing solutions on the market, and a call-out growth element for the Cisco Collaboration business unit. WebEx is primarily known as a cloud-delivered service, and Cisco takes a cloud-first approach to its development. WebEx Meeting Center provides video interoperability for standards-based and Skype for Business systems.

As enterprises actively move business applications to the cloud, they require well-established services with a proven record of being mature, reliable, and highly available. Many organizations also require specialized implementations for training, events, and support. WebEx presents precisely these qualities to enterprises seeking to deploy web and integrated video conferencing as a cost-effective, cloud-based service.

WebEx is purpose-built for web and video conferencing. It does support messaging among meeting participants, but it was designed as a conferencing service. As such, Cisco's development efforts are focused around improving its ability to provide effective online meetings.

WebEx is independent of UC infrastructure and offers support for up to 1,025 users per Meeting Center meeting. Organizations can acquire WebEx as part of a broader Cisco solution set and integrate it into other Cisco products and services, or they can obtain WebEx as a standalone conferencing solution independent of room systems, workstream messaging, communications platform, and UC.

Skype for Business

Skype for Business, by contrast, is fully integrated into a larger solution or service that is optimized for an entirely different kind of interaction than web conferencing. Organizations tend to implement Skype for Business primarily – even exclusively – for instant messaging and presence.

A single platform for corporate instant messaging, point-to-point video conferencing, and enterprise voice may benefit companies that have committed to deploying Skype for Business, because they gain web conferencing functionality from an integrated platform. However, many businesses are deploying Skype for Business alongside existing telephony systems, rather than replacing them. And large enterprises often have a complex messaging environment, with multiple applications in use in different parts of the company.

However, there is no way for businesses to deploy Skype for Business's web conferencing capabilities without its messaging and other components. This can make Skype for Business impractical for businesses that are simply seeking a web conferencing solution. Also, Skype for Business is almost always sold as a component of a larger Microsoft solution set, and is rarely purchased as a standalone product or service.

Microsoft's approach to conferencing has shifted over the years, which raises concerns about its long-term commitment and strategy. In 2003, Microsoft acquired PlaceWare to supplement its existing NetMeeting service. NetMeeting was subsequently discontinued, as were Meeting Space and other Microsoft conferencing solutions, while PlaceWare was actively sold as a cloud-based service for a number of years as Microsoft Office Live Meeting. In 2011, Live Meeting was rolled into Office 365, but whereas the former supported up to 2,500 participants, the latter only scaled to 250.

Microsoft initially marketed Skype for Business as a premises-based solution, which can be impractical for bursty usage patterns. Microsoft then turned to several provider partners to host Skype for Business (previously Lync) conferencing services. As that ecosystem was developing, in 2015 Microsoft launched its own hosting services tied to Office 365 cloud services. These offers directly compete with partner-hosted Skype for Business.

As Microsoft continues to invest in Office 365, the direct offer is emerging with new capabilities. For example, Microsoft recently announced near-live translation services associated with Skype for Business Meeting Broadcasts. This is an optional Office 365 service that lets companies host web conferences in a broadcast environment with thousands of participants. The end result is years of frustrating changes to the web conferencing services on which Microsoft customers rely on a daily basis.

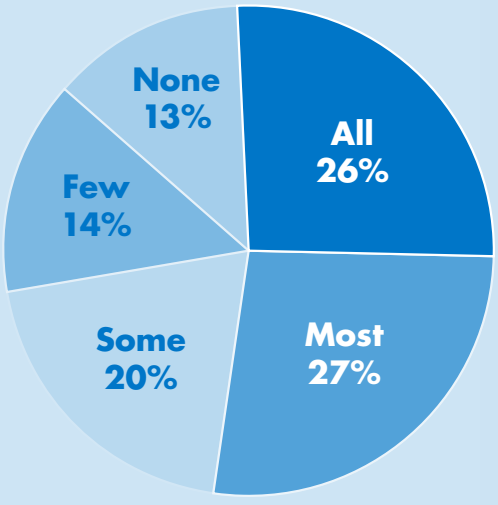
Findings

More than half of line-of-business managers at large enterprises report that most or all of their workers regularly use some sort of web or video conferencing tools, according to Dimension Data's 2016 Connected Enterprise survey. Meanwhile, 88% of IT departments have deployed web conferencing solutions or services to employees.[2]

Both raw data and customer interviews confirm that Cisco WebEx drives stronger adoption than Skype for Business in enterprise environments, even in organizations that have access to both paid services. For example, a Manager of Conferencing Technology at a healthcare provider with more than 4,500 employees has enterprise licensing for both services and stated that nearly all of its 45,000 meetings each year are conducted with Cisco web and video technology. Reasons for this center around greater ease of use with WebEx compared with Skype for Business, and the productivity benefit related to a more intuitive conferencing solution.

This aligns with Gartner's recent Magic Quadrant for Unified Communications 2016 report that stated, "Enterprises regularly report dissatisfaction with the quality and capabilities of the SfB [Skype for Business] audio conferencing and video conferencing functionalities and often maintain separate conferencing services for business-critical use cases, as required."

How many employees in your department regularly use web conferencing?



Source: Dimension Data Connected Enterprise Survey, 2016

Similarly, in Gartner's 2016 Magic Quadrant for Web Conferencing, the analysts wrote, "Cisco WebEx leads the market in terms of share, has credibility among enterprise buyers, accommodates every use case in this research, and matches most user feature requirements… Its mature enterprise and video integrations, extensive infrastructure, and robust carrier partnerships make WebEx an appealing choice for large, globally distributed organizations."

A big advantage for Cisco is that it can accommodate meetings over a variety of devices and situations, from elaborate room systems to mobile devices. Cisco provides most, if not all, of the components of the overall conferencing service. This dramatically simplifies use, procurement, and support.

Conversely, Microsoft relies heavily on partners such as Polycom, Logitech, AudioCodes, and others to provide key components necessary for conferencing. Additionally, Microsoft licensing is usually obtained from different partners than those that assist with the design, installation, and support of its collaboration solutions.

One customer interviewed described its Microsoft implementation as a "death by a thousand cuts." He was referring to the number of vendors and separate components that must be acquired, implemented, and maintained. "There's just too many pieces, and something always breaks," said the administrator, who requested anonymity.

Real-time video is native to Skype for Business, regardless of whether it is used for instant messaging, web conferencing, or enterprise telephony. Skype for Business can integrate with video conferencing solutions that enterprises already have deployed on premise. However, tight integration will typically require solutions from third parties such as Polycom. Polycom now offers a version of its software that emulates the look and feel of Skype for Business, but the solution is still composed of multiple vendors.

While most Skype for Business solutions utilize third-party hardware from Microsoft partners such as Polycom and Logitech, with the Surface Hub, Microsoft introduced new solutions for conference rooms. The current solutions are new, but the strategy is not. Microsoft previously launched and then discontinued room system solutions with several partners including Crestron and LifeSize. Two of its larger partners for room systems, Smart Tech and Polycom, were recently acquired by new owners.

Customers report more confidence with Cisco's solutions, as they have been on the market for some time now and continue to drop in price. As well, Cisco delivers a full range of video conferencing technology. This not only includes the real- time video capability built directly into WebEx apps, but a range of video-enabled hardware devices including phones, workstations, and room systems that address most every video conferencing requirement.

More specifically, Cisco's video conferencing solution set includes:

- Cisco desktop and room-based video conferencing solutions that can be configured to act as WebEx endpoints
- A cloud-based video conferencing service for up to 1,025 participants that is built in with WebEx Meeting Center, formerly known as Collaboration Meeting Rooms
- Strong mobile clients across multiple operating systems including MacOS, iOS, and Android
- Spark, a cloud-based, workstream messaging and collaboration platform

Cisco introduced Spark just a few years ago as a solution for workstream messaging. Cisco Spark initially seemed to overlap many of Cisco's existing solutions and services associated with collaboration. It is now clear that Spark will be central to Cisco's Collaboration effort. The platform is quickly evolving to include a complete collaboration solution bringing together persistent messaging, calling, and conferencing with API services for development. Spark also includes a new cloud-enabled security model that will rival premises-based solutions. It is expected that WebEx conferencing capabilities will converge with Spark into a single experience.

Final Considerations

Getting employees to use modern collaboration tools should be a critical objective, as these tools can drive down costs and improve productivity. For these efforts to succeed, adoption is paramount – more important than individual features, delivery models, scalability, and UI design. Successful adoption results from ease of use, a beneficial experience, and proven reliability.

The solutions and services from both Cisco and Microsoft appear to have quite a bit in common. Solutions from both companies offer:

- Integrated voice, video, and messaging
- A cloud-first model that leverages existing solutions with a hybrid model
- Access from room systems, desktops, and mobile devices

However, the significant differences in adoption rates suggest that Cisco's conferencing solutions, such as WebEx, are generally preferred by enterprises. Organizations looking to expand their strategy for collaboration are advised to consider the following:

- **Go beyond features, and evaluate usability.** This can include reference checks as well as a pilot among selected users. Cloud-delivered services are accommodating to pilots.
- **Prioritize conferencing.** It may lack the sizzle of other technologies, but conferencing is one of the most basic elements of effective collaboration. It is increasingly important as work teams become more distributed.

- **Be aware of Cisco's and Microsoft's different strategic initiatives.**
  Cisco is focused on a single strategy with Spark, which will unite the strength of WebEx conferencing with persistent workstream messaging on one platform for development. Microsoft's focus appears to be expanding its Office 365 suite and transitioning its license-based business to broad subscription services.

The key consideration for enterprises is to understand and appreciate the need for flexibility. The nature of work is undergoing significant change. We are shifting away from traditional workplaces, traditional business hours, and traditional teams. Everything about work is changing, even the notion of vacation. For these reasons collaboration solutions need to be flexible, mature, and trustworthy. Users of these technologies must know they will work when and where they are needed.

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1 Synergy Research, Cloud SaaS Services market share and forecast, Q2 2016

2 Dimension Data Connected Enterprise Survey, 2016