



COMPUTERWORLD

CSO

DEMO

InfoWorld

ITWORLD

NETWORKWORLD



2015

Unified Communications & Collaboration Survey

Balanced Growth

	Growth	25%
	Growth and Income	25%
	Income	25%
	Cash Equivalents	25%

Concentrated Growth

	Growth	80%
	Growth and Income	10%
	Income	10%
	Cash Equivalents	10%

Exclusive Research from
IDG Enterprise
An IDG Communications Company

Unified Communications and Collaboration Moves to the Cloud

Costs, security and integration are top challenges to improving employee collaboration and productivity

Companies are preparing to take greater advantage of cloud-based Unified Communications and Collaboration (UC&C) solutions, according to a 2015 survey of IDG Enterprise customers.

Among 653 business and IT decision-makers whose organizations' are currently running or planning to implement or upgrade their UC&C solutions and who have input into their companies' UC&C investment decisions, 71% said cloud computing has influenced their plans. Almost one-third (30%) reported that cloud has made a significant impact.

UC&C deployment models appear poised to change dramatically as enterprises shift to hybrid (a mix of on-premise and cloud solutions) or cloud-only solutions within the next 2 years. Nearly half (49%) of companies use premises-based solutions exclusively today, compared with 51% in a similar survey in 2012. Within two years, however, only 18% of UC&C deployments will be completely premises based; hybrid models will be the most common.

Survey results show new investments pose some challenges. The most common — costs or funding (41%), security and privacy concerns (36%) and integration with existing infrastructure (33%) — are also persistent, compared to 2012. Respondents' desire to address these challenges is reflected in the factors they consider important when choosing which UC&C solutions to purchase.

Enterprises Are Leading A Shift to the Cloud

Today enterprises, defined as companies with 1,000 or more employees, are significantly more likely to be using UC&C solutions that are entirely premises based (55%) than small and medium-sized businesses with fewer than 1,000 employees (42%). That may be because many enterprises invested in these technologies before there were many cloud-based offerings. Enterprises were early adopters of UC&C solutions.

Although only 13% of respondents overall reported that their companies use an entirely hosted or cloud-based model, SMBs (20%) are significantly more likely than enterprises (7%) to take this approach currently. By 2017, however, the percentage of enterprises with all their UC&C investments in the cloud will more than double to 15%.

Hybrid models will, nevertheless, be the most common. More than half of enterprises (54%) and 42% of SMBs will employ this approach within two years. Only 30% of enterprises and 27% of SMBs use a hybrid approach today.

Respondents globally were significantly more likely to say that cloud is having an impact on their investment plans—79%, compared to 69% from The United States and Canada. Global respondents are also slightly more likely to be using cloud UC&C solutions currently.

Employees Like Options

Enterprises currently spend an average of \$8.1 million on UC&C solutions whereas SMBs have vastly smaller budgets—around half a million dollars on average. But overall, budgets for UC&C investments are expected to rise 9% in the coming year, as companies extend the variety of technologies that are available to employees.

Improving employee collaboration (43%) and productivity (42%) are the primary drivers for these investments, followed by increasing flexibility for employees or a more mobile workforce (33%). It's clear that employees appreciate having many communication options at their disposal, especially when working with colleagues internally.

Email (92%), phone (88%) and in-person (81%) are the most popular methods to use when employees communicate with each other. Other established tools are also common, such as instant messaging (67%), texting (57%) and screen sharing (54%).

Newer technologies, such as social media and video messaging applications, along with technologies that require IT infrastructure support, such as room videoconferencing systems, large file transport and telepresence, are currently being used by no more than 41% of respondents. Instant messaging, screen sharing, room system videoconferencing, telepresence and in-house social media systems are significantly more likely to be used internally by enterprises than by SMBs.

There's less variety in how respondents communicate with customers, suppliers and partners. For external contacts a few established methods reign: email (87%), phone (84%) and screen sharing (50%). Fewer than half said they use texting or instant messaging externally.

Meanwhile, only a third or fewer engage with outside contacts using video messaging, social media or IT infrastructure-based applications. Respondents at enterprises are significantly more likely than SMBs to employ room video conferencing systems (39% versus 24%) or telepresence (23% versus 12%) for such purposes.

Whichever technologies people use, these appear to be supplements to, not replacements for, in-person meetings. Among all respondents, 81% said they meet face to face with their coworkers, and two-thirds get together with their external colleagues. Although respondents in the United States and Canada use

a wider range of UC&C applications compared to people elsewhere, they are also significantly more likely to connect with others in person.

The differences in how people communicate internally and externally may have something to do with corporate policies for exchanging data with outsiders. With more business and IT leaders raising concerns about security of cloud, messaging and social media applications generally, it's possible that in some companies, employees are discouraged from using these technologies with outsiders for security reasons.

Our survey findings support this conclusion. Respondents reported their main security-related concern to be that authorized users will unintentionally disclose confidential information (41%), followed by risk from poorly secured cloud-based services (39%) and infiltration by unauthorized users who would either pretend to be from the company (32%) or steal intellectual property (31%). Imposters are a significantly greater concern for enterprises (36%) than SMBs (28%). Respondents from the United States and Canada worry more about accidental disclosure (42%) than those from elsewhere (36%).

Usage and Investment Go Hand in Hand

Another possible reason for the differences in how people communicate with internal and external colleagues relates to how unevenly UC&C solutions are deployed. An SMB supplier communicating with an enterprise customer might not have videoconferencing as an option yet, for example.

When implementing UC&C solutions, typical starting points are messaging systems (52%) or voice systems (51%). Only one-fourth of companies are working to UC-enable specific applications (25%) or leverage capabilities such as FaceTime or Google+ Hangouts that are built into existing communications platforms (24%). Enterprises are significantly more likely than SMBs to be homing in on specific apps (29% versus 22%), as well as building from video-centric systems (23% versus 12%).

Videoconferencing is coming, however. Nearly half (47%) of respondents said their companies are planning to invest in web, audio and video conferencing services during the next year. In fact, videoconferencing is very important or critical to 44% of respondents, similar to 46% in 2012. And it is significantly more so for enterprises (54%) and directionally for firms globally (50%) than for SMBs (34%) and companies in the United States and Canada (42%).

IP telephony calling and management and/or IP phones (44%), email, fax and voice mail solutions, including unified messaging (42%) and collaborative applications such as enterprise social networks or file sharing (41%) are also high on the agenda. Enterprises and SMBs appear to be investing in these technologies about equally.

Meanwhile, emerging technologies are making inroads. Fifty-eight percent, compared with 52% in 2012, are making or expect to make at least a moderate investment in telepresence—the use of virtual reality technology to provide the sensation of being in a location one is not in physically. Significantly more enterprises (65%) than SMBs (51%) are likely to do so. Telepresence is somewhat more important to companies globally (64%) than within the United States and Canada (56%).

One third of companies have already implemented social media management tools into their UC&C solutions, while another 38% expect to do so within three years. Enterprises are significantly more likely than SMBs to have already deployed this technology (39% versus 27%) or to be doing so within the year (21% versus 13%).

Choosing Vendors Who Can Address UC&C Challenges

Most decisions about which UC&C solutions to purchase are made by high-level leaders. According to respondents, CIOs (64%), senior business leaders (41%) and IT managers (34%) are most likely to be involved in making these decisions.

Security is a factor when evaluating what to buy. As noted above, respondents cited costs, security and privacy and integration as top concerns, and they're focused on addressing these when choosing vendors.

Overall respondents cited security and the ability to meet security requirements (58%), ease of use (46%), low total cost of ownership (45%) and integration into existing architecture (40%) as the top factors they consider when selecting a UC&C vendor. While security is most frequently cited across all company sizes, significantly more enterprise companies consider it an important factor (63%, compared to 54% of SMBs).

Although costs are a concern, fewer than half of respondents said their companies take advantage of free downloads such as Skype (45%), Microsoft Lync (40%) and Google Chat (22%). Whether they use one of these tools may depend at least somewhat on whether it is part of a suite of products they already use.

Methodology

IDG Enterprise's 2015 Unified Communications & Collaboration (UC&C) Survey was conducted online among the audiences of six IDG Enterprise brands – CIO, Computerworld, CSO, InfoWorld, ITworld and Network World – via pop-up and email invitations with the objective of understanding organizational adoption, use-cases, and solution needs with respect to UC&C. This was a targeted research effort, to be considered qualified respondents must have reported UC&C solutions were planned or currently in place at their organization. Furthermore, respondents must have reported personal involvement in the purchase process for UC&C solutions at their organization.

Respondents were offered a chance to win \$250 cash as an incentive for completing the survey. Results are based on 653 qualified responses. The margin of error on a sample size of 653 is +/- 3.83 percentage points. For the purposes of this report, enterprises refer to those respondents at companies with 1,000 or more employees. Small and mid-sized companies refer to those respondents at organizations with less than 1,000 employees.

A broad range of industries are represented including high-tech & telecommunications (25%), manufacturing (11%), education (11%), financial services (9%), government (8%) and business services (7%). Forty-nine percent of respondents are employed by organizations with fewer than 1,000 employees while 49% are employed in 1,000+ employees (3% did not provide an answer). Percentages on single-select questions and demographic data may not sum to 100 percent due to rounding.