

Frost and Sullivan: Australian Unified Communications Market Expected To Be Worth \$1 Billion by 2012

Economic Downturn Results in 4.1% Decline in 2009

SYDNEY - 28 July 2009: The Australian market for Unified Communications (UC) solutions is expected to decline by 4.1 percent in 2009 as the economic downturn forces some organisations to delay or cancel UC deployments. A longer sales cycle and lack of a compelling return on investment (ROI) for some technologies will also hold back short-term growth.

However, the market decline will be short-lived as organisations look to invest in UC technologies that deliver a fast ROI, including conferencing and collaboration, IP telephony and hosted UC solutions.

The findings are contained in the latest Australian UC market assessment to be released by consulting company, Frost & Sullivan: Australia Unified Communications Market Report 2009. The study analyses the UC market in Australia, focusing on current business opportunities and future growth.

According to the report, revenues from UC technologies are expected to jump from \$868.6 million in 2008 to \$1 billion by 2012. Larger organisations, including government agencies and financial institutions, are talking to system integrators about how UC technologies can be integrated with their existing business applications to increase efficiency.

The complex nature of UC will place more emphasis on services provided by trained system integrators. According to the report, although many integrators have a good knowledge of voice integration, specialists in handling complex issues at the network layer is a rarity.

Integration involves fixed-to-mobile integration and understanding network presence and the use of conferencing and collaboration technologies. Laying a base foundation for UC deployment will also be the key to success.

Preparing a network for the deployment of UC technologies is crucial, said Audrey William, ANZ Research Director, Frost & Sullivan. Organisations that do not plan for this will see their UC installation run into challenges.

According to William, vendors must recognise channel partners or system integrators that have the most in-depth technology skills and develop certification programs in key areas such as voice, mobility and conferencing to ensure that UC projects succeed. Currently, UC specialists are scarce in the Australian market.

The complexity of UC means that it will be important to work with system integrators that have solution experts who understand the challenges in linking these different components together during a UC installation, said William.

The UC Market in Australia

Email and telephony applications represented the majority (70.8 percent) of UC revenues in Australia in 2008. IP telephony will experience good growth, accounting for 34.3 percent of UC revenues in 2015, while traditional telephony will decline and account for 5.3 percent of revenues. Indeed, the changing nature of how employees operate by being mobile and the growing demand for fixed-mobile convergence will drive greater adoption of softphones in the Australian market.

Conferencing and collaboration technologies will experience the fastest growth over the next six years as a decline in price points for group and desktop videoconferencing solutions contribute to market demand. Organisations will also use a combination of web, video and audio technologies to save costs, which will also contribute to growth.

At the same time, mobile UC is beginning to take centre stage in Australia. Although the adoption of mobile UC is still low, the increasing use of smartphones and mobile e-mail will eventually drive take-up for other mobile UC applications, said William.

The Australian Unified Messaging (UM) market grew by 62.9 percent during 2008, fuelled by the sale of telephony solutions with bundled UM

capabilities. Over the coming years, email replacement cycles are expected to drive demand for UM solutions.

The contact centre segment accounted for 10.3 percent of UC revenues in 2008, which will rise to 11.2 percent by 2010. Mobility applications accounted for only one percent of UC revenues in 2008.

The Australia Unified Communications Market Report 2009 forms part of the Frost & Sullivan Unified Communications Program. All research services included in subscriptions provide detailed market opportunities and industry trends evaluated following extensive interviews with market participants. Interviews with the press are available.

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