

Sydney, March 16, 2010 -- Large businesses are increasingly turning to video as an alternative to travel when budgets are strapped - among the gainers are telepresence solutions. Revenues for ready-built telepresence suites in Asia-Pacific grew an estimated 71.1 percent in 2009 (up from 46.6 percent in 2008).

For 2010, Frost & Sullivan expects a growth of 64.4 percent, with revenues of just over US\$73.0 million by year-end. Weaker growth is expected thereafter.

New analysis from Frost & Sullivan (<http://www.conferencing.frost.com>), Asia-Pacific Telepresence Market, finds that the market - covering 14 Asia-Pacific countries, including Japan - earned estimated revenues of US\$44.4 million in 2009. The market is forecasted to grow at a CAGR (compound annual growth rate) of 22.9 percent (2009-2015) per annum, before reaching a market size of US\$110.1 million by end-2015.

Although a far more costly visual communication tool to conventional video conferencing systems, Frost & Sullivan industry manager Pranabesh Nath believes that "the immersive nature of telepresence enhances user experience and productivity, while simultaneously trimming the operational expenditure of a company.

"Major vendors were quick to seize the opportunity presented by the harsh economic climate and were successful in selling a large number of ready-built systems in the last two years," he adds. "Many even offering generous discounts to make a sale."

Not for long; Nath expects stiff competition in the next two years from more affordable mid-range high-definition (HD) video conferencing systems, as well as customised immersive solutions which system integrators are starting to offer at lower price points.

Growth in revenues for ready-built telepresence systems are expected to decline sharply after 2010, dropping to 32.1 percent growth in 2011 before falling to well below ten percent for subsequent years. No growth is expected in 2015; of course by then, the unit-price for ready-built systems would have declined too.

Nath is not ready to dismiss it though. "Telepresence is a small, but very visible segment that is expected to significantly impact the visual collaboration market," he says.

"We are already witnessing a blurring of boundaries between an immersive telepresence suite and conventional HD video system, and this will only accelerate in the next one to two years," he adds.

Vendors currently market telepresence systems as ready-built units, but in future, Nath believes it is quite likely that newer business models will emerge from greater involvement with service providers offering customised immersive systems as a managed service. He expects this to show promising uptake as it eliminates the need for users to invest in hardware and in-house maintenance skills.

Asia-Pacific accounted for just over 15 percent of the world telepresence market in 2009. Regional adoption was highest in Australasia which accounted for 30 percent (US\$13.5 million) of the Asia-Pac revenues last year.

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