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Despite Market Hype, Unified Communications Applications Accounted for Just 6.4% of 2007 Business Communications Software Revenues

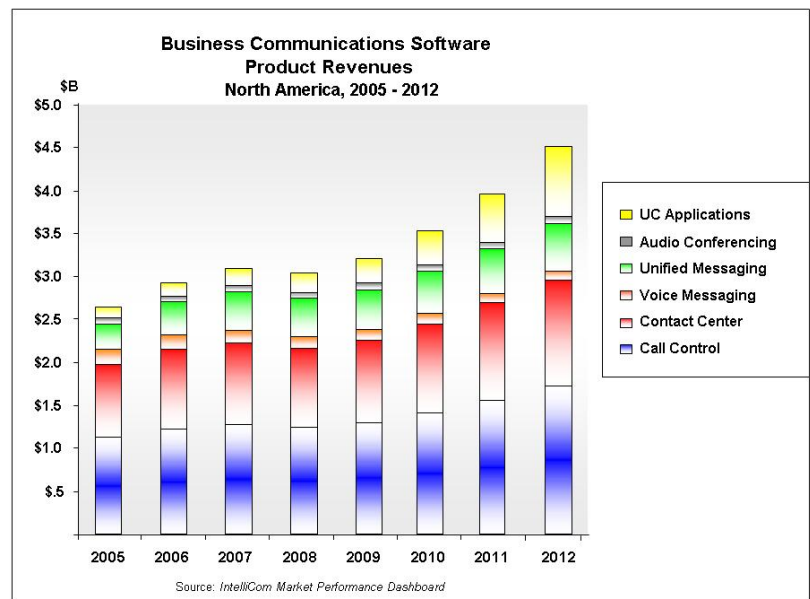
Providers Face Significant Challenges in Driving Broader Adoption Over the Next Five Years

UNION, NJ -- (April 24, 2008) - According to new research from industry analyst firm IntelliCom Analytics, Unified Communications (UC) applications accounted for just 6.4% of total Business Communication Software (BCS) product revenues in North America last year. The findings are included in IntelliCom's "Market Performance Dashboard Full Year 2007 Report," and are based on manufacturer revenues for enterprise collaboration solutions like Web Conferencing, Instant Messaging, and Presence Management tools that integrate with traditional communication applications which formed the bulk of BCS shipments and revenues in 2007, such as Call Control, Contact Center, and Unified Messaging.

These revenues track closely with the IntelliCom's customer research findings throughout 2007 which showed that businesses had limited near-term plans for implementing UC applications. *"Despite considerable market hype and positioning by vendors, UC adoption is still very much in the emerging stage,"* states Frank Stinson, Senior Analyst at IntelliCom Analytics.

"There is a fundamental disconnect between where voice application decision-making has traditionally taken place in the enterprise, and the areas in a business where the benefits of UC applications are likely to be the most compelling," explains Stinson. *"Vendors and channels that are accustomed to positioning a technology-oriented value proposition to the IT organization are struggling to connect with the executives and line-of-business managers that will be most receptive to the business process improvements and incremental revenue generation impacts of UC. Unfortunately, awareness of these UC benefits remains generally low among these decision makers."*

The IntelliCom report projects modest growth of UC sales over the next three years. Although UC applications are not expected to exceed 10% of total BCS revenues through 2010, the forecast sees UC rising to nearly 20% by 2012. *"Vendors face three key challenges to achieve accelerated adoption of UC. First, the productivity benefits of UC applications to individual end users and workgroups need to be articulated in a much clearer way. Providers also need to ensure that their offers include the key architectural enablers for tightly integrating voice applications into the broader IT environment. Finally, vendors must partner with channels that are equally competent in positioning UC in the context of specific business issues confronting individual customers and integrating complex solutions comprising voice, desktop, and business applications that are unique to the customer's environment,"* added Stinson. *"Few providers are able to effectively address all three challenges today."*



The IntelliCom Market Performance Dashboard is a quarterly market tracking service that measures vendor performance across all layers of the Business Communications value stack. Key areas of focus include core telephony software, platform hardware, end user devices, and emerging Unified Communications applications.

About IntelliCom Analytics

IntelliCom Analytics is a professional services and business research provider focused on the rapidly evolving intelligent communications market. With a broad set of competencies ranging from competitive assessments and benchmarking to highly targeted demand forecasts based on detailed embedded base analyses, IntelliCom Analytics brings a wealth of finely honed skills, expertise and market opportunity insights to client engagements. For further information, visit www.intellicom-analytics.com.

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