The global **web conferencing market** is experiencing a combination of maturity and reinvention. Application convergence, cloud, mobility and social technologies are transforming the Web conferencing landscape, resulting in groundbreaking technology shifts that are empowering users with greater productivity benefits.



New analysis from **Frost & Sullivan**, Analysis of the Global Web Conferencing Market, finds that the market, which includes software as a service (SaaS) and on-premises solutions, grew at a healthy growth rate of 10.5% in 2013 reaching $2 billion in revenue.
Web conferencing software and service revenue are forecasted to hit $3.05 billion by 2018 at a compound annual growth rate of 8.8%
. SaaS, which contributed 83% of total web conferencing revenue in 2013, remains the dominant model.

The transition from audio-only meetings to web and video conferencing, along with the increasing emphasis on product design and usability, has kept the market on a strong growth track. Customers are finding that "vanilla" web conferencing solutions are inadequate and are recognizing the need to deploy more comprehensive productivity tools.

These all-in-one collaboration solutions have been well-received by customers, who are reluctant to make separate purchases of audio, video and web collaboration solutions.

Established web conferencing solutions, as they stand today, could very likely be consumed by emerging collaboration software platforms that are building in screen sharing and desktop video as inherent product features. Vendors are looking to offer greater value by converging web conferencing with other real-time tools, as well as asynchronous collaboration, such as file sharing and content management.

"The convergence of synchronous and asynchronous tools is leading to the emergence of all-in-one virtual workspaces that offer always-on messaging, instant voice, video, web multipoint meetings, and content sharing in a team-centric space," elaborated Frost & Sullivan Unified Communications & Collaboration Industry Director Roopam Jain. "Built on the premise of the continuity of collaboration even after the meeting has concluded, these virtual workspaces are expected to become a central repository for contacts, meetings, and content, making collaboration solutions stickier."

The consumerization of IT and growing need for simpler and faster collaboration, regardless of location or device has compelled Web conferencing solution vendors to implement a mobile-first and cloud-first strategy. Vendors are innovating with a mobile-first mentality and are not treating mobility as an afterthought. This trend emerged in 2014 and will gain full momentum in 2015.

With such developments, it is not surprising that several vendors have reported greater than 25 to 30% growth in Web conferencing usage by customers. Evidently, the cost savings and overall value of Web collaboration is well received by users globally.

However, revenue growth is under pressure due to declining prices and a shift to all-you-can-use named user licenses.

A proliferation of free and low-priced frills-free web conferencing services is bringing in early-stage commoditization.

"The future success of the Web conferencing market hinges on the speed at which vendors simplify the complex collaboration products landscape," said Jain.

"Simplification must extend beyond products to an end-to-end customer experience including how users procure products all the way up to how they deploy and see the ROI."

Go Frost & Sullivan, Analysis of the Global Web Conferencing Market