

# Work From Home – The Next Normal

Driving Corporate Resilience

*Enterprise-wide Collaboration Intelligence is The Enabler*



Client Disclaimer

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## Impact of COVID-19 on Work from Home (WFH) Trends

- WFH and telecommuting was already gaining currency amongst an increasingly mobile and technologically savvy workforce and forward looking employers due to a number of financial and non-financial benefits, even before the COVID-19 pandemic broke out
- The global disruption caused by COVID-19 and the accompanying lockdowns has triggered a faster shift to WFH, and a considerable part of that workforce is expected to permanently transition to that arrangement as employers look to pare operating expenses by rationalising office space
- While advancements in collaboration technology and digital disruptions have hastened the shift to telecommuting and a more flexible workspace, technological challenges in software and hardware space continue to hamper a fully seamless WFH experience

## Impact of WFH Trends on Technology and Spending

- There has been an explosion in growth in the use of collaboration tools, especially around audio and video conferencing, with downloads expanding by at least 10x across major developed markets
- The IT budgets of various companies are factoring in increased allocation to collaboration and productivity tools, even as the overall technology spending remains under pressure as a result of the bleak economic outlook
- The increased use of video conferencing is likely to drive spending on professional audio-visual (AV) equipment to extract optimum performance from the software and ensure a hassle-free WFH environment

## The Addressable Market Opportunity for xxxx

- The WFH trend is likely to result in a paradigm shift in the built environment, especially the provision of a purpose-built, professionally equipped office at home creating opportunities for professional AV companies like xxxx
- A preliminary estimate of the addressable market opportunity, encompassing major target consumer groups within finance, legal, healthcare, education, government, worship and enterprise segments highlights a multi-billion dollar market
- A combination of factors including an expanding global, mobile workforce, corporate advocacy of WFH and collaboration technology investments is likely to help the addressable opportunity to grow by 17% annually exceeding \$16 billion in potential revenue by 2025

## Winning the New Market Opportunity

- XXXX is ideally poised to leverage the WFH business opportunity through the launch of XXXX, its professional solutions for the home office
- XXXX offers state-of-the-art conferencing and collaboration capabilities that will integrate seamlessly with existing software and hardware to provide an outstanding customer experience
- XXXs track record as an innovator, extensive sales network and manufacturing tie-up and public company status are key supporting factors which will enable the company to acquire market share quickly

# Work From Home Trend: Pre-COVID-19 Pandemic

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Over the years, the alternative workplace - a combination of nontraditional work practices, settings and locations became relevant for both employees and employers with its tangible and intangible economics.

## Global Statistics (2018)

According to a comprehensive global study conducted by The International Workplace Group (IWG)

70%

More than two-thirds of employees are working at least 1 day a week somewhere other than the office

53%

More than half of employees work remotely for half of the week or more

11%

More than 1 in 10 employees work outside of their company's main office location 5 times a week

Against the backdrop of technology advancements, globalization and changes in employee expectations, the emergence of mobile workforce including work from home became a critical element of the global workforce and work culture. Business organizations, irrespective of their geographic presence, are poised on the edge of a new frontier of alternative workplace and mobile workforce where the context of team collaboration remains a technology driven operational success.

## Prevalence of Alternative Workplace

The prevalence of alternative workplace (including remote work, telework, virtual work, telecommuting, work from home) specifically the working from home arrangements in business organizations has increased over the past decades, attributable to advancements in information and communication technologies. According to the 2018 Global State of Remote Work Report by OWLLabs, 56% of companies allow remote work.

40%

of companies are hybrid - offering both remote and in-office options

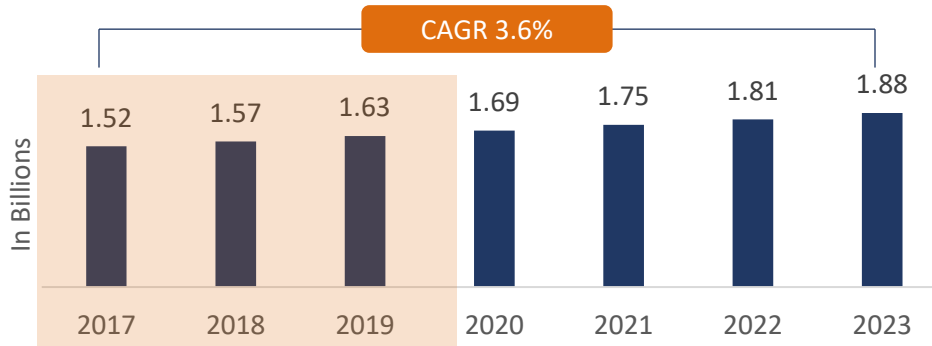
16%

of companies are fully remote

44%

of companies don't allow remote work

## Global Mobile Workforce



Source: HBR, IWG, Strategy Analytics, OWLLabs

The global mobile workforce is expected to increase from 1.52 billion in 2017, accounting for 39.3% of the global workforce, to 1.88 billion in 2023, accounting for 43.3% of the global workforce, growing at a steady annualized rate of 3.6%. The steady growth momentum is expected to be driven by the ongoing technology development around mobile devices, work from home infrastructures, wider digital ecosystems and remote collaboration hardware and software.

Globally, being a people-driven movement, flexible working including work from home is becoming “the new normal” for “Generation Flex” and technology has a pivotal role play in achieving the operational success.

## Regional Highlights (2019)

<p><b>82% of businesses</b></p> <p>are using flexible working as a mechanism to improve employee work life balance</p> <p>USA</p>	<p><b>68% of employees</b></p> <p>have a fully-equipped workspace set up at home (only 35% of those workers’ employers have paid for the equipment in their home offices)</p> <p>Canada</p>	<p><b>42% of employees</b></p> <p>cite technology requirements as one of the biggest barriers for companies aiming to switch to flexible working</p> <p>UK</p>
<p><b>80% of businesses</b></p> <p>already have a flexible working policy in place or are planning to implement one</p> <p>Germany</p>	<p><b>84% of businesses</b></p> <p>are using flexible working to improve talent retention</p> <p>Australia</p>	<p><b>73% of businesses</b></p> <p>believe that people will no longer be commuting to the office by 2035 or sooner</p> <p>Italy</p>

“Remote work has grown steadily since 2005, as companies of all types – private, public, nonprofit, or startup—continue to recognize the **bottom-line benefits of integrating remote work** into their business strategies. **With improvements to technology** and increasing demands from employees in a tight labor market, we fully expect to see the momentum around this important workplace continue to grow.”

*Sara Sutton, Founder and CEO of FlexJobs*

Source: Buffer, Gartner, Global Workplace Analytics, IWG, FlexJobs

## A Widely Practiced Global Phenomenon

According to a March 2020 estimate by Aperian Global, ~2.8% of the global workforce has adopted work from home at least half of the time. Considerably, at global level, work from home increased ~103% since 2005. The sharp upward trend can be attributed to multifaceted benefits associated with work from home including financial savings, increased productivity and higher retention rates.

84%

Remote workers work at home, found in a recent study conducted by Buffer.

10%

Employee retention improvement is evident in organizations that support “choose-your-own-work-style” culture.

69%

Millennials capitulate other work benefits for a more flexible working space.

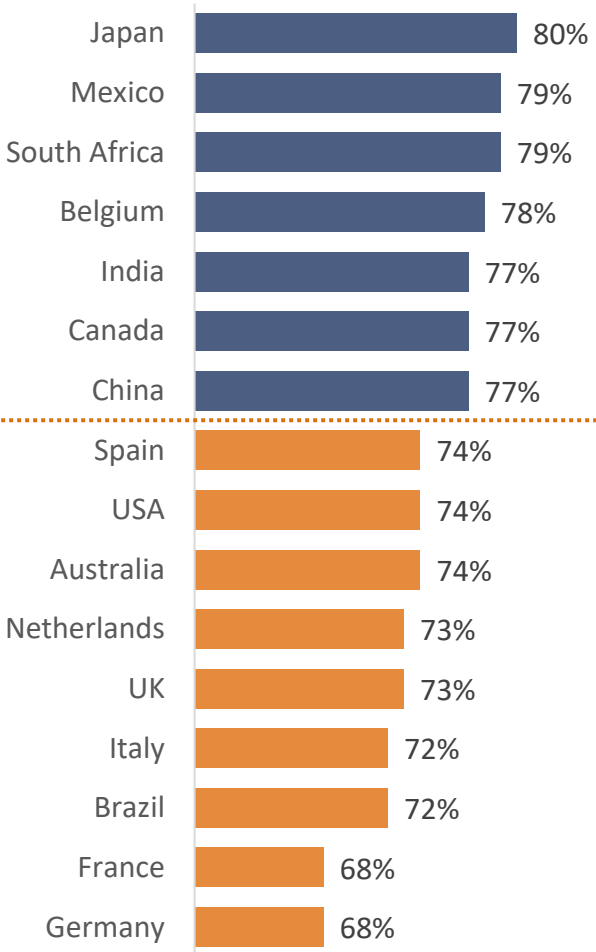
Financial Savings

A study conducted by Global Workplace Analytics revealed that a company can save up to \$11,000 per year per employee who works from home. Notably, a recent Regus report estimated that by 2030, the USA is expected to reap an economic boost of ~\$4.5 trillion annually from flexible working, while China and India could gain respectively \$1.4 trillion and \$376 billion annually.



In recent times, employers and employees have converged on flexible working in the quest to drive business success, and unified communication and collaboration technology remained the key mobility enabler.

## Flexible Workspace – The New Normal (2019)



IWG, in its 2019 “Global Workplace Survey”, revealed that flexible workspace became mainstream with widespread acceptance across employees and employers globally. Subsequently, 62% of firms globally reported that they have a flexible workspace policy in place.

**75% as Global Average**

In an increasingly hybrid workspace environment where employees work from multiple locations including corporate offices, home offices and other locations, creating a productive and conducive workplace remained a technology-driven task. Globally, 57% of workers report that they have a fully equipped home office set up. Although, only 28% confirm that their employers contributed to its set up costs.

## Key Technology Considerations

Businesses consider several technology requirements while introducing or expanding flexible working practices

<b>55%</b>	<b>45%</b>	<b>41%</b>	<b>39%</b>
Issuance of Hardware	Secure Printing and Scanning	Data Security	IP telephony Solutions

## Evidence from Mega Corporations



In 2019, Dell announced its plans to expand telecommuting and remote work initiatives, citing an annual saving of \$12 million from reduced office space costs.



American Express reported that it is saving up to \$15 million a year in real estate costs through implementing remote working initiatives.



At Aetna Insurance, 47% of the total workforce work remotely which provides a financial saving of more than \$70 million a year in real estate, utility and housekeeping costs.

Source: IWG, DyerNews, SHRM



# Work From Home Trend: Post-COVID-19 Pandemic

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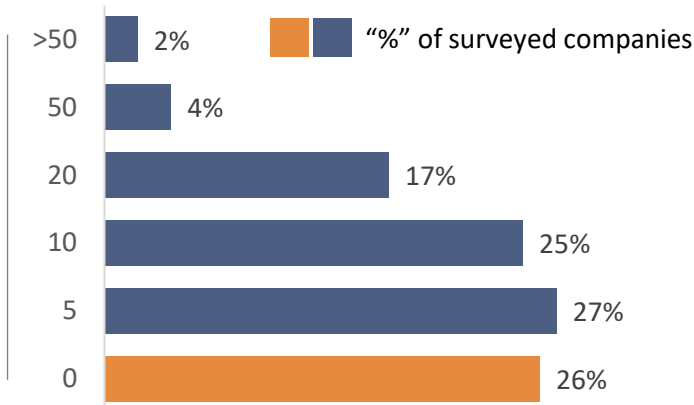
The ongoing COVID-19 pandemic could be a watershed moment for work from home in terms of wider acceptance and implementation across organizations, backed by corporate resilience, digital readiness and people priorities.

## A Massive Work From Home Experiment (2020)

74%

Companies plan to permanently shift to more remote work post-COVID-19, according to an April 2020 Gartner survey.

*"%" of workforce will remain permanently remote post-COVID-19 who were not remote before COVID-19*



With exponential growth in COVID-19, globally, 'Work From Home' emerges as a rapidly adopted strategy by business organizations of different sizes, from different industries for mitigating job losses and maintaining operational continuity. Notably, many business organizations think that the coronavirus outbreak could lead to a fundamental and permanent shift in how people work and collaborate.

Employers across the globe see COVID-19 as one of the biggest corporate challenges ever experienced in recent decades. Experts across industries view agile collaboration technologies, people-centric organizational policies and technology-driven remote work infrastructure as key enablers while migrating to 'Work From Home' arrangements, be a short-term or long-term transition.

Source: HBR, Deloitte, ILO, Gartner, EY

## Changing Landscape of Work

COVID-19, fundamentally being a people-based crisis, is challenging business and government leaders to respond to the crisis rapidly through rethinking their workforce strategies in real-time. Globally, the COVID-19 pandemic is having a catastrophic effect on working hours and earnings. According to a recent briefing note published by the International Labor Organization, an estimated 3.3 billion people, or more than 4 out of 5 workers in the global workforce, have been affected by lockdowns and stay-at-home measures.

A recent Gartner HR Survey reveals that around 88% of business organizations have encouraged or required employees to work from home globally, attributable to COVID-19 crisis disruptions.

59

Countries had implemented telework for non-essential publicly employed staff, as of mid-April 2020.

68%

Global workforce, including 81% employers are currently living in countries with recommended or required workplace closures.

18%

Global workforce have the infrastructure that would allow them to effectively perform their work from home.

With fundamental changes in workforce deployment, business organizations are enhancing technology capabilities around enterprise-wide collaboration to improve real-time decision making and workforce productivity.

With the humanitarian crisis from coronavirus evolving on a daily basis, business organizations have started to reinvent the virtual workforce infrastructure and policies.

Workforce disruption at an unprecedented scale and speed requires agile workforce strategies in practice equipped with advanced technologies and enterprise intelligence.

With the revitalization of industries taking momentum, work from home is redefining the corporate resilience while turning massive challenges into meaningful change.

COVID-19 has accelerated the evolution of alternative workspace arrangements, specifically the work from home model. To stabilize a suddenly virtual workforce, organizations have started crafting a strategic, people-centric and productivity-driven WFH policy focused on collaborative infrastructure.

According to a recent survey of 200+ USA tech firms by IT industry trade group CompTIA, more than 80% of enterprise-technology providers reported a steady increase in purchases for communications, collaboration and other remote-work tools by corporate customers in April, up from 76% in March '20.

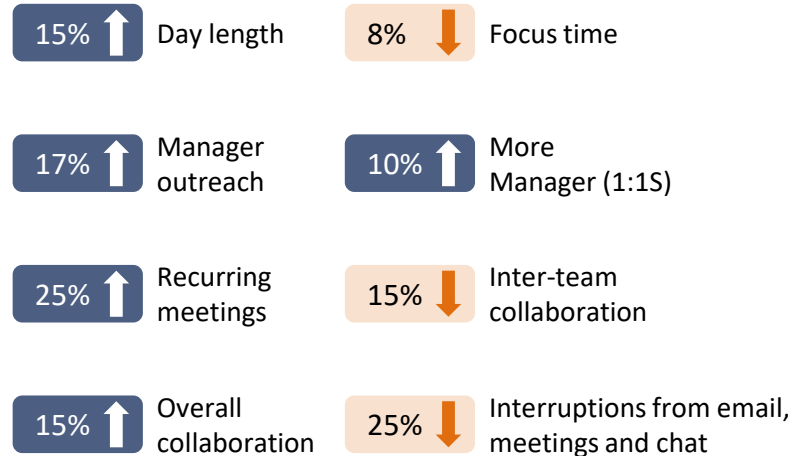
In April 2020, LinkedIn recorded a ~28% increase in remote job postings and a ~42% increase in job searches through "remote" or "work from home" keyword since March, 2020. Notably, global technology leaders including Facebook, Google, Microsoft, etc. are embracing a distributed workforce model.

## Mega Corporations Remote Until

October 2020	
January 2021	
January 2021	
January 2021	
February 2021	

## Measuring the Impact of Work From Home

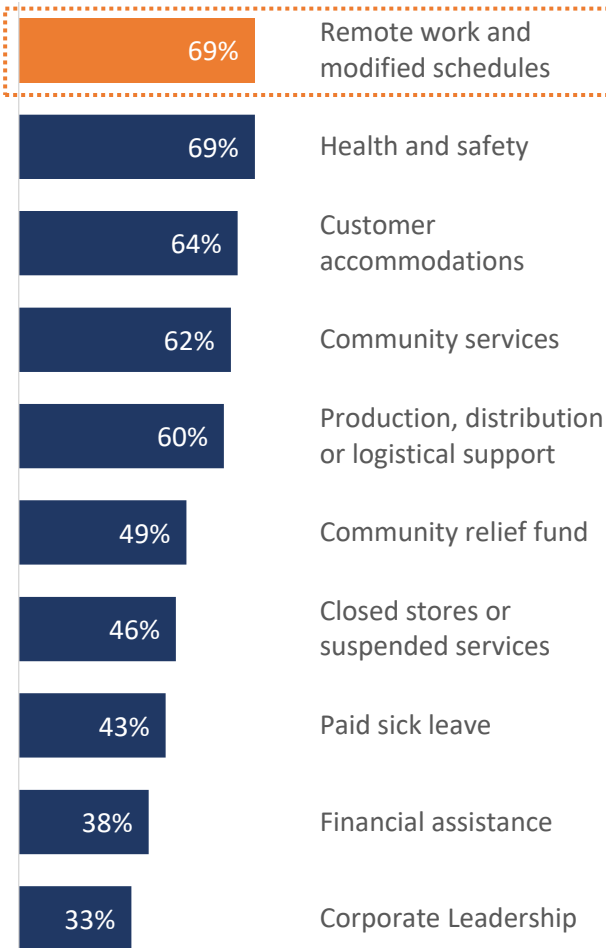
To outmaneuver uncertainty, the transition to work from home has underscored the need for investment in workforce mobility and agility, across industries. Against the backdrop of digital collaboration, work from home is driving a significant change in work patterns. A recent Worklytics study reveals a spectrum of major implications of a massive shift in work from home.



Source: McKinsey Insights, Accenture, Worklytics, WSJ, CNBC, GitHub

In the era of convenience, telework emerged as a dominant feature of the future workspace. Additionally, the new normal of a widely distributed remote workforce is redefining the digitization across workflows and communications.

## COVID-19 Corporate Response (USA)



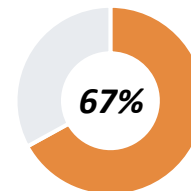
Within the USA, implementation of 'Work From Home' emerged as one of the major corporate responses by 100 largest public employers. Coronavirus and economic slowdown have an unprecedented opportunity for corporate leaders to put purpose-driven leadership and stakeholder capitalism into practice.

In the digital economy, 'Work From Home' alternative remains a logical precaution for many companies to ensure business continuity amid nationwide lockdown. Notably, this pandemic-driven plunge into remote working is going to be a permanent paradigm shift as it drives a positive impact on employee experience, employers' view on productivity while increasing investment in collaboration technology.

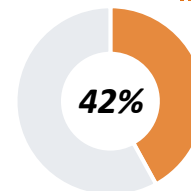
## Surge in Remote Work (USA)

Coronavirus has lifted 'Work From Home' stigma as it has forced millions of Americans to work remotely, leading to complete change in views around telework.

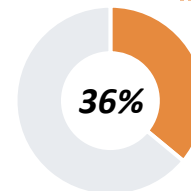
A recent flash survey conducted by Seyfarth revealed-



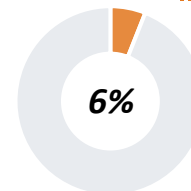
Employers were taking steps to allow employees to work from home who do not normally do so.



Employers were actively encouraging all employees to work from home in some or all parts of the country as of mid-March.



Employers were encouraging employees to work from home on a case-by-case basis.



Employers were encouraging employees to work from home in hot spots.

With concern over productivity, connectivity and accountability, business organizations are gradually moving to the “next normal” workplace while focusing on permanent remote-work infrastructure and collaboration technology.



Wells Fargo, an American multinational financial services provider headquartered in San Francisco, California, significantly expanded work-from-home capabilities, with approximately 200,000 employees now enabled to work remotely, including about 30,000 contact center employees.



IBM, an American multinational technology company headquartered in Armonk, New York, with operations in over 170 countries, reported that ~95% of its global workforce has adopted remote working amid COVID-19. Notably, IBM India has enabled work from home for its ~99% workforce.



Dell Technologies Inc., an American multinational technology company headquartered in Round Rock, Texas, have established a global work from home policy. ~90% of its global workforce working from home and going forward, it will become the permanent arrangement for some.

*As a win-win solution, companies across the globe, are considering shifting towards a substantially remote workforce in the aftermath of the coronavirus outbreak, following the lead of tech-sector giants.*



Business trendsetters are moving to make remote work the new normal.

Telecommuting boost productivity and limit absences while reducing organizational costs.

A new sense of purpose for workplace technology such as collaboration technology.

## Preview of Future Workplace – Embracing Remote Work



*“The scale that we have implemented and the ongoing reliance on remote worker technology will be permanent, and it is largely the business processes that may be evaluated for potential changes.” Nigel Faulkner, CTO, T. Rowe Price*



*“This is the tipping point for widespread remote work, and we expect to see employers continuing to enable permanent work-from-home arrangements for distributed teams.” Craig Malloy, CEO, LifeSize*



*“What we’re experiencing now isn’t truly intentional remote work, it’s crisis-induced work from home. The current crisis has accelerated the adoption of remote work by at least 10 years.” Darren Murph, Head of Remote, GitLab Inc.*

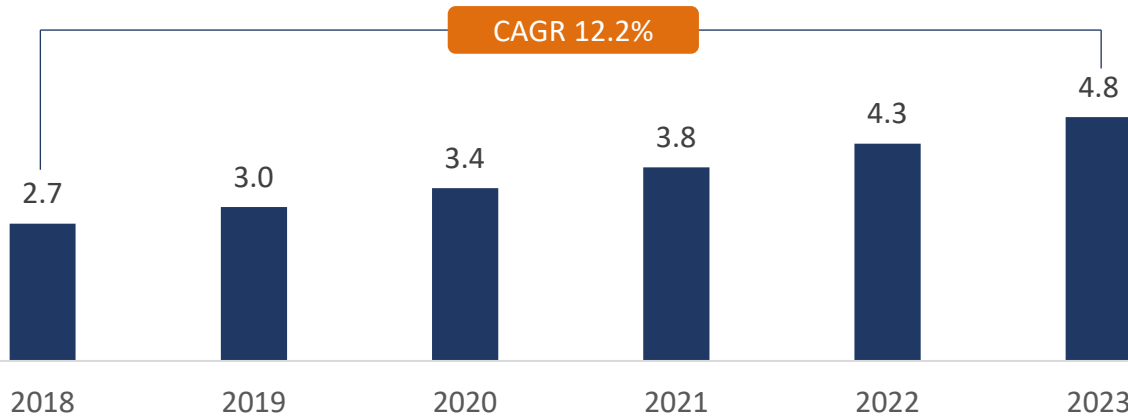


*“But I think that it’s possible that over the next five to 10 years – maybe closer to 10 than five, but somewhere in that range – I think we could get to about half of the company working remotely permanently.” Mark Zuckerberg CEO, Facebook*

# WFH Trend: Impact on Technology and Spending

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## Social Software and Collaboration Market Size (\$ bn)



The use of collaboration software and tools has grown exponentially as corporates and government organizations adjust to a new normal of WFH in the midst of widespread lockdowns that have disrupted normal office activity.

Increased spending on productivity tools to improve the remote working experience seems inevitable given that most companies would re-calibrate their WFH strategies in the aftermath of the COVID-19 crisis.

Prior to the COVID-19 pandemic, the expansion of collaboration apps into emerging markets and the growing base of knowledge workers were considered to be major growth drivers.

The Collaboration software market is divided into 2 major submarkets namely employee communications applications and meeting solutions. In the coming years, collaboration software market players are expected to leverage new technologies such as social analytics, virtual personal assistants (VPAs) and smart mechanics to improve performance and security features of their offerings. Notably, steady growth in the number of global knowledge workforce is expected to catalyze the industry growth momentum. By 2023, the number of knowledge workers in the world is estimated to reach 1.14 billion, with more than four-fifths of that coming from the developing economies.

Source: Gartner, Silicon Angle, ZDNet, Bloomberg, Microsoft, Yahoo Finance, Techcrunch

## Early Evidence



Daily meeting participants surged to **300 million** in April 2020 from 10 million before COVID-19



US: **>2x** growth in users  
Europe: **4x** growth in users  
APAC: **3.5x** growth in users



**200%** increase in meeting minutes from 900 million on March 16 to 2.7 billion on March 31



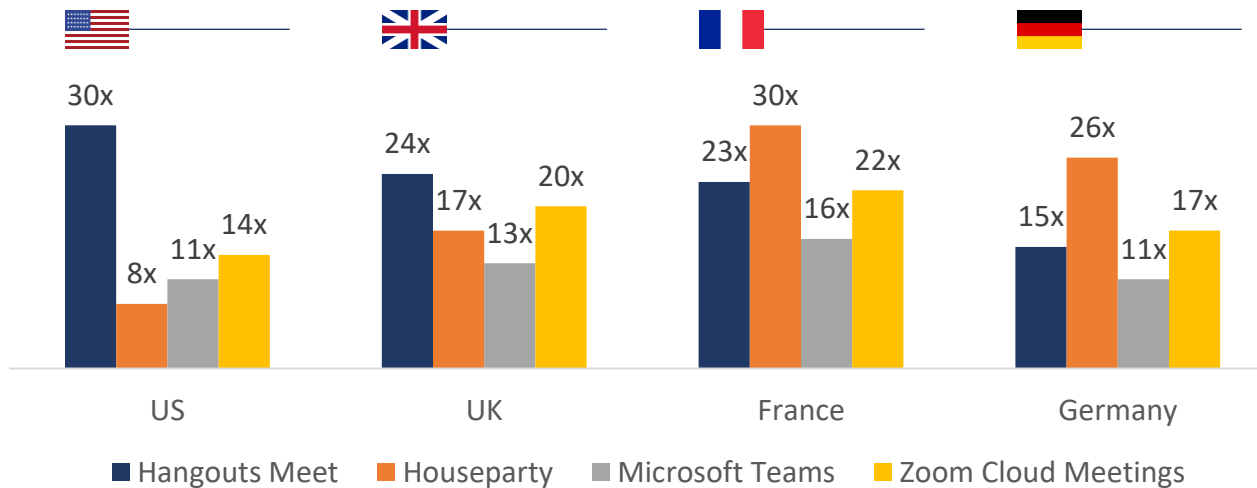
Added **2.5 million** new users between March 10 and March 25



**60%** surge in day-over-day growth while daily usage increased **25x** over January



## Growth in Downloads of Video Conferencing Apps



Against the backdrop of COVID-19 pandemic, video conferencing apps, for both personal and business use, exhibited a record growth, majorly attributed to work-from-home policies, social distancing and government lockdowns.

Video conferencing apps are becoming an essential medium of human interaction, be it personal or professional. Vulnerability towards social isolation and the need for being connected made digital native generation to quickly opt for collaboration tools and software.

During March 14-21, 2020, business conferencing apps reported record growth in the number of downloads to 62 million across iOS and Google Play store.

Source: Techcrunch, Microsoft Remote Work Trend Report, Statista

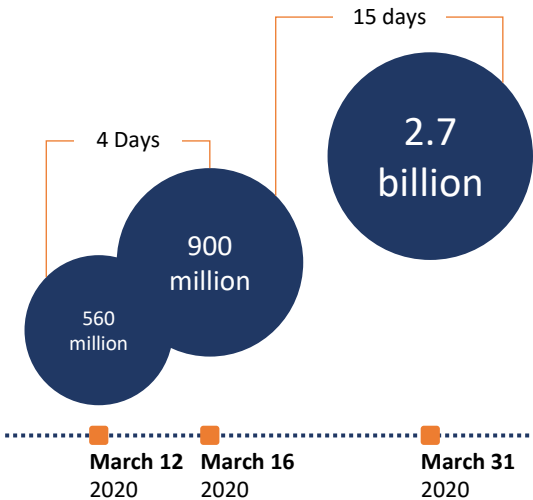
According to online search tracker SEMRush, GoToMeeting, an app developed by Boston-based SaaS startup LogMeIn, became one of the most-searched meeting tools in India since the lockdown. Searches grew 173% in India in April 2020.

In China, collaboration platforms DingTalk, Lark and WeChatWork experienced a year-on-year increase in downloads of 1,446%, 6,085% and 572% respectively, from 22 January through 20 February 2020, amid coronavirus outbreak and subsequent influx in remote working.



## Case Study – Microsoft Teams

Minutes spent in Microsoft Teams meetings per day have grown exponentially



### Building Human Connection

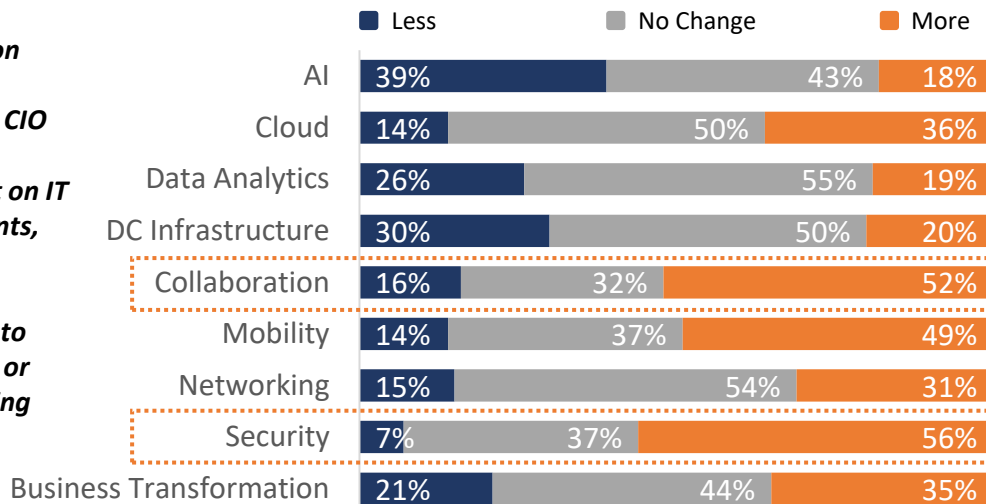
In March 2020, total video calls in Teams grew by over 1,000%.

In April 2020, Microsoft reported to have 75 million daily active users, a jump from 70% since March. Microsoft also recorded 200 million meeting participants in a single day in April.

Amid global shelter-in-place orders, Microsoft Teams became one of the critical component of distance learning. Currently, 183,000 tenants in 175 countries are using Teams for Education.

## Impact on Tech Investments amid COVID-19

**COVID-19 impact on funding in the technology sector. CIO India's survey on COVID-19's impact on IT jobs and investments, April 2020. "%"** indicates share of respondents likely to increase, decrease or maintain IT spending across different categories



According to CIO India's survey on COVID-19's impact on IT jobs and investments, technologies associated with remote operations are taking center stage. It also highlighted that investment in collaboration tools and associated data/cyber security areas will become inevitable during and post COVID-19.

Strengthening security features in collaboration hardware, software and tools became the new norm in the unified communication space. Zoom, a leading market player in modern enterprise video communications, recently announced the acquisition of Keybase, an encryption and security service, to develop Enterprise End-to-End Encryption expertise to counter its "zombombing" video calls. Notably, Cybersecurity intelligence firm Cyble was able to purchase approximately 530,000 Zoom credentials for \$0.0020 per account in April 2020, which were being sold on the dark web and hacker forums.



Increased scrutiny on data security has prompted companies to take the inorganic route to avail of short-term solutions that will plug key capabilities gaps.

In a nutshell, the uncertainty of COVID-19 pandemic has triggered a major shift in digital investments made by enterprises to ensure minimal business disruption while transitioning to remote workforce.

## Major Technology Concerns

*As business organizations continue to adopt enterprise-wide work-from-home measures to ensure operational continuity, there are several information technology challenges associated with this paradigm shift.*

### IT Security

- Cybersecurity and patch management system
- IoT hacking (globally, 61% of organizations are currently using IoT platforms in their business.)
- Security of home network associated with off-network communication
- Data privacy and remote access

### IT Authorization and Configuration

- Managing physical security of corporate owned devices
- Authorization using conventional means such as via phone or video call
- Remote hardware configuration (reliable monitors, webcams, noise cancelling headphones and other computer peripherals) and security concerns

### IT Support and Obligations

- IT support and incident response
- Obligations related to IT contracts and projects for customers and suppliers

# The Addressable Market Opportunity

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Professionals will be forced to re-imagine their workspaces at home and such consideration will shape their purchase decisions when looking to acquire new homes or remodeling existing ones.

## Dedicated Home Office

*“It is still unclear whether working from home will become a popular choice in China. However, there will be many potential buyers of residential properties in the near future; and for those who have lived through the experience of working from home during the COVID-19 outbreak, they might consider **purchasing a residential property which has a dedicated home office/study area** over one that does not. With this expected demand, **many residential investors and developers may well have to consider adding a separate home office/study area into their design plans in the future.**”*

*Cushman Wakefield*

## Preference for single family homes

*“In a post-virus world, we could see a further surge in the relative popularity of single-family homes among renters. In addition to having more space for a family with children, **a detached home also can often accommodate a home office more easily.** To the extent that a larger share of the population continues to work from home on a regular basis in a post-virus world, **space for a dedicated, comfortable, efficient home office may become a more widely-sought-after attribute.** This could motivate more renters to look for a space that is large enough to accommodate this dedicated space.”*

*Brad Hunter  
Managing Director, RCLCO*

## Video Calling Equipment

*“I think the need for video calls will only rise, and with them the need to design rooms specifically optimized for quiet work sessions. I also think this time at home with increased devices pulling on the network, as entire families stream video and audio content, only exemplifies the need for a world class network highly optimized for the data rates we require today.”*

*Alex Capecelatro  
Co-Founder and CEO, Josh.ai*

The COVID-19 pandemic will necessitate WFH as social distancing becomes the norm. This, in turn will have wide ramifications on the way homes are designed and people think about residential workspaces.

## Purpose built workspace at home

*In a matter of weeks, many people with “nonessential jobs” have been forced to work from home. At the same time, parents who never considered homeschooling their children are facing the inevitable. And anyone who was on the fence about building out a dedicated home office is likely regretting that decision.*

***Co-founder of High Fashion Home Dolley Frearson** is also predicting a shift towards more home office space and shared workspaces at home. “One can only work for so long on the dining table or kitchen counter table without getting distracted by the kids or sitting uncomfortably for too long,” she says.*

*High Fashion Home Dolley*

## Spending on comms. equipment

*Furthermore, the necessity of working from home brought on by the pandemic has also caused many employers and employees to spend money on new technology, like video conferencing subscriptions as well as new equipment. According to data from expense management provider Emburse, the most frequent employee expenses in the first half of March included computer monitors, desks, office supplies, mice, and keyboards — a departure from the norm. These purchases presumably happened at companies where working from home was a new development.*

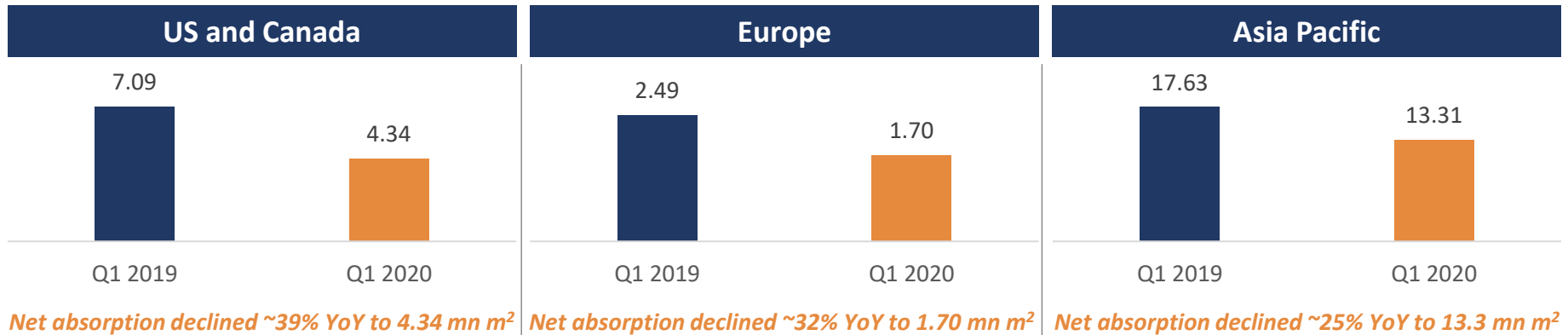
*Emburse*

## Employer Attitude towards WFH

*“I can imagine, with millions of employees all working remotely, that after companies learn how to effectively work from home, they will start to reevaluate how necessary their physical office spaces are, and how much money can be saved if employees work from home at least part of the time. Some may find that they only need half as much space as they did before, and that they only need a physical office for staff meetings and in-person client meetings. But in order to make this work, there will need to be serious changes to the “home office” idea. This health crisis could possibly have a long-term effect on how important a home office—or at least a working nook—is in residential design.”*

*Dan Weber,  
Architect and Founder of Anacapa Architecture*

Due to the COVID-19 situation, demand for office space could fall sharply over the next two years as the economy remains in slow gear and WFH becomes more of an institutionalized practice.



Most occupiers are in “wait-and-see” mode as they are distracted by operational priorities

Subsequent quarters of the year will see further deterioration in the office market as the full impact of the lockdown is transmitted across businesses

Office vacancy is going to increase in line with unemployment, the latter forecast to jump to 15% in 2020 from a low of 3.7% in 2019

Demand for office space remains very limited with companies postponing expansion plans due to cash flow concerns amid global uncertainty

Q2 2020 is expected to be a historically low quarter for office leasing due to lockdowns and a freeze on business activities

Increased focus on rent free periods in subsequent leasing negotiations

Net absorption in Q1 2020 was at its lowest for over five years

Approximately 50% of office markets experienced declines in asking rents quarter-over-quarter and further falls are likely

Co-working space coming under increasing pressure with closure of operations and space being handed back to the market seen in a number of markets

**opentext™** expects to eliminate more than half of its 120 offices globally



received only 86% of its quarterly office rent in Q1 2020

**zomato**

has shut down 125 of over 150 offices worldwide

**Skift.**

giving up its Manhattan headquarters when its lease expires in July 2020

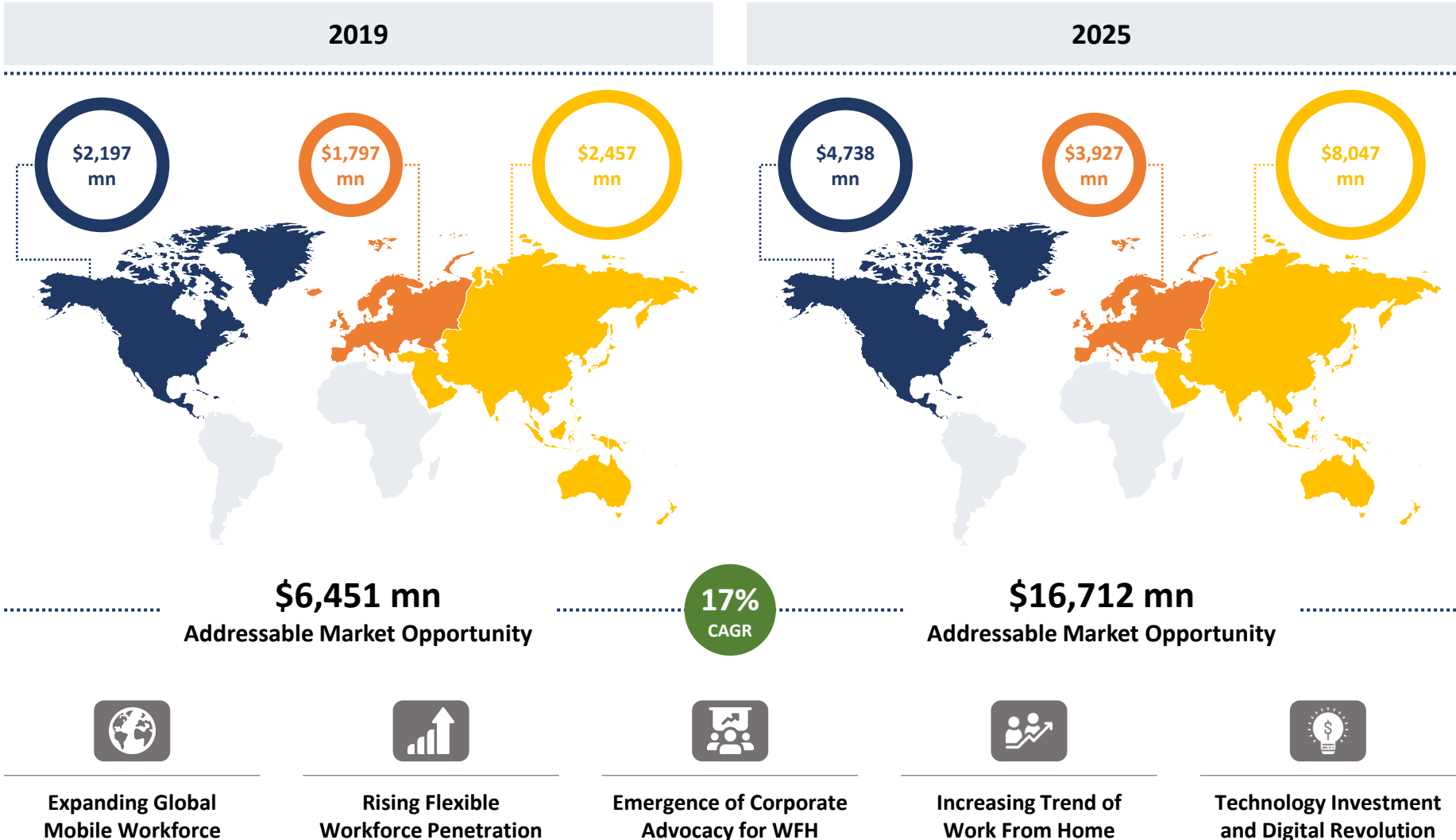
**IndusInd Bank**

private-sector lender has vacated its prominently-located leased office spaces in Mumbai

Source: Cushman Wakefield, Wall Street Journal, Economic Times

# Addressable Market Opportunity | The Global Snapshot

Globally, the total addressable market opportunity for xxxx is conservatively estimated at \$6,451 mn in 2019 and expected to grow at an accelerating annualized rate of ~17% to reach \$16,712 mn in 2025, spurred by WFH trends



Source: Alchemy Analysis



# Sales Channels Overview

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## Overview

### Relevance of Retailers and Etailers

- Tangibility of shopping experience (Retailers)
- High-end product purchase is experiential (Retailers)
- Emergence of omni-Channel marketing
- Supply chain cost reduction while implementing online sales channel (Etailers)
- Client engagement and buying experience remain critical for digital-savvy buyers
- Work as an unbiased source of consumer insights and reviews
- Virtual Expansion of Selling Geography through Online Channels (Etailers)

The retail medium is the most viable sales channel for AV products. However, product manufacturers of all sizes that once sold primarily through multi-brand retailers are looking for online sales channels to expedite shift from penetration to profitability.

Source: Company Websites

## Overview

### Relevance of Pro AV VARs

- Resell products as turnkey or full-service solutions
- Offer consultation and assessment services
- Expertise in specialized market i.e. Pro-AV market
- Design and support custom sales process suitable to specific product family
- Scalable model for business growth without hiring additional workforce and incurring operational cost
- Cost-effective distribution model as it requires low-upfront cost
- Work as customer-centric trusted counsel focusing on customer empowerment

Value-added resellers are an essential component of a sales strategy for Pro-AV products. As a sales channel, VARs facilitate product sales on-behalf of the OEM by adding presales value to end-users and help in market development.

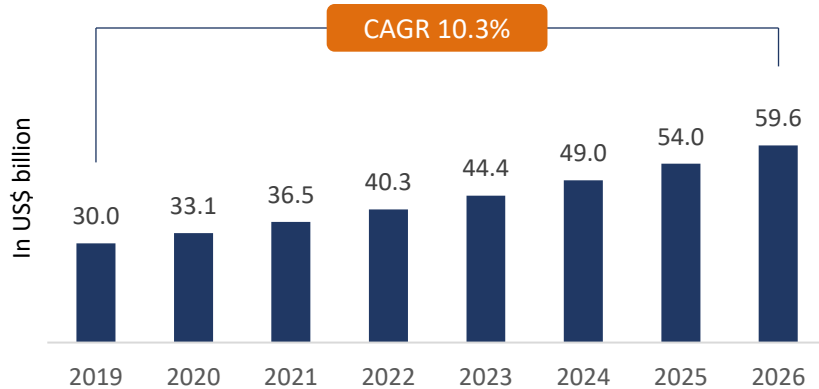
Source: Company Websites

# Market Size of Related and Adjacent Industries

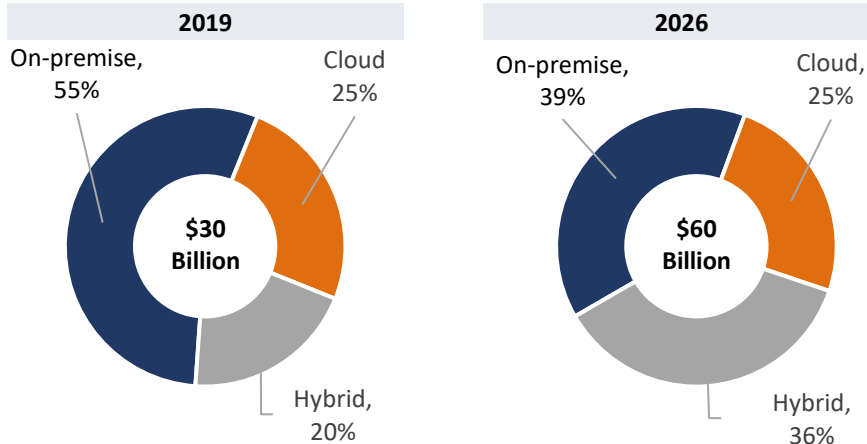
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The global demand for communication and collaboration offerings continues to grow, in part due to cloud flexibility, mobility, and better customer journeys. The COVID-19 crisis has in fact created new growth opportunities for companies offering collaboration platforms.

## Global Unified Communications & Collaboration Market (in \$B)



## Global UCC Market by Deployment Model

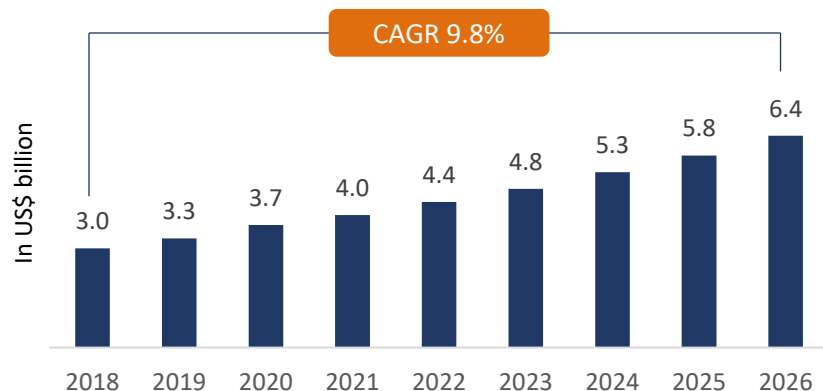


- The global UCC market is poised to expand from \$30 billion in 2019 to around \$60 billion by 2026. Growth drivers include the increasing penetration of smartphones and growing investments by telecom players to update the communication network infrastructure.
  - North America accounted for nearly 45% of the total UCC market in 2019. It is expected to dominate the market within the forecast period mainly because of the availability of a healthy telecom and cloud infrastructure in the region.
  - The conferencing solutions segment held a UCC market share of nearly 15% in 2019. The major growth driver has been the increase in the adoption of conferencing solutions by enterprises for connecting multiple users from different geographic locations to work collaboratively and virtually.
- 
- The on-premise segment holds the majority share of the market with over 55% share in 2019 and is expected to grow at a CAGR of 5% until 2026 due to the increased sense of security and better data control offered by these tools.
  - While on-premise UCC was most popular in 2019, cloud-based solutions and hybrid models are on the rise due to their flexibility over on-premises infrastructure. The hybrid UCC market is expected to reach ~\$22 billion in 2026 from \$6 billion in 2019 expanding at a CAGR of 20.2%. While cloud-based deployment model is expected to reach ~\$15 billion in 2026 from \$7.5 billion in 2019 at a CAGR of ~10%.
  - On-premise UCC solutions were never long-term solutions due to their operational and cost inefficiencies. But cloud-based and hybrid solutions address both of these inefficiencies by being better equipped to capitalize on increased cloud spending and the enterprise shift towards mobility.

Source: BrandEssence Market Research, UC Today, Flexera, Vonage, GMI Insights

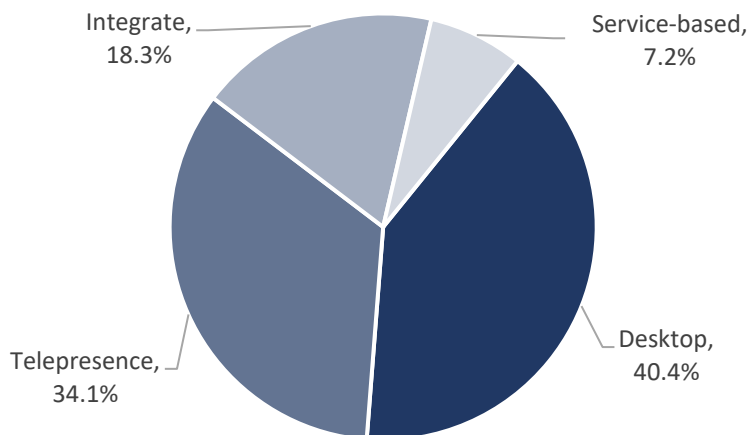
The positive outlook for the video conferencing industry started long before the current pandemic. COVID-19 created the perfect storm culminating in a massive growth spurt, which is likely to shift the growth trajectory upwards after the prevailing situation eases.

## Global Video Conferencing Market (in \$B)



- Global Video Conferencing market is forecast to reach ~\$6.4 billion by 2026, after growing at a CAGR of 9.8% during 2019-2026.
- Rising adoption of video conferencing facilities across various industries to enhance collaboration and interaction among clients and teams has strengthened the demand for video conferencing.
- As certain fields such as healthcare and online education have become increasingly popular in the emerging economies, such as Brazil, India, and Philippines, demand for these solutions has risen significantly.
- The proliferation of mobile devices combined with a seemingly unending appetite to consume video in all its forms has been a major factor in breaking traditional barriers to adoption.

## Global Video Conferencing Market Share by Type, 2018

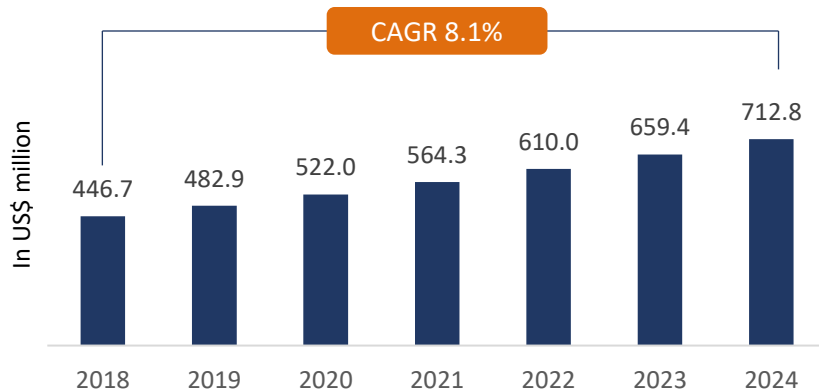


- Desktop segment holds more than 40% share in the video conferencing market. The widespread adoption of the browser-based applications will augment the demand for the desktop market.
- While telepresence, due to its capability to enhance the overall productivity of the enterprises is expected to encourage its adoption across industries.
- By solution, the growing adoption of cloud-based video conferencing solutions is playing a major role in driving the market forward. The increasing use of connected devices has a positive impact on the cloud-based video conferencing market. According to a GSMA study, the number of connected devices in the global market will increase from 9 billion in 2011 to more than 24 billion by 2020.

Source: Fortune Business Insights, tgdaily.com, UC Today

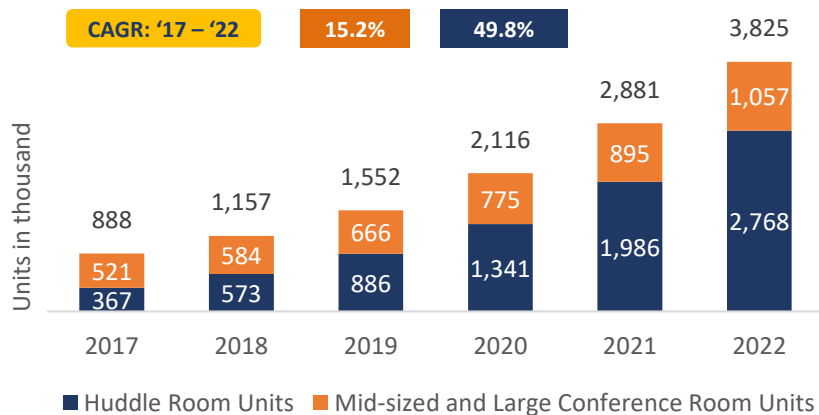
As huddle rooms become mainstream, the installed audio conferencing endpoint segment will feel the impact of the shift in end-user preferences toward equipping huddle spaces with tabletop endpoints in the years to come.

## Global Audio Conferencing Endpoints Market (in \$M)



- The global audio conferencing endpoint segment is forecasted to grow at a CAGR of 8.1% to reach ~\$713 million in 2024.
- Growth of collaborative spaces such as huddle rooms and medium-sized meeting spaces is driving the adoption of audio conferencing endpoints market.
- The proliferation of mobile devices as a primary access point, the increased usage of VoIP audio, etc. bodes well for the growth of audio conferencing endpoints.
- Furthermore, the growing deployment of audio-video conferencing systems in smart offices will boost market demand. The global smart office market is projected to reach \$85 billion by 2026 from \$31 billion in 2017 at a CAGR of 12.2%.

## Huddle Room or Multipurpose Room Shipment (in '000s)



- As meetings become shorter and more frequent, small-size conference rooms or huddle rooms are becoming more relevant to users.
- According to Frost & Sullivan, total shipment of huddle rooms will reach 2.8 million in 2022, growing at a CAGR of 49.8% from 2017.
- Huddle room meetings are currently estimated to be 8.1% of all video conferencing meetings. It is expected to grow exponentially to represent 69.8% of all video conferencing room meetings by 2022.
- The convergence of trends like video with audio endpoints to develop a low-cost audio-video bundle will cater to huddle room requirements.
- Another major application area to emerge from the COVID-19 crisis will be the purpose-built home office

Source: Frost & Sullivan, Fortune Business Insights, tgdaily.com, UC Today

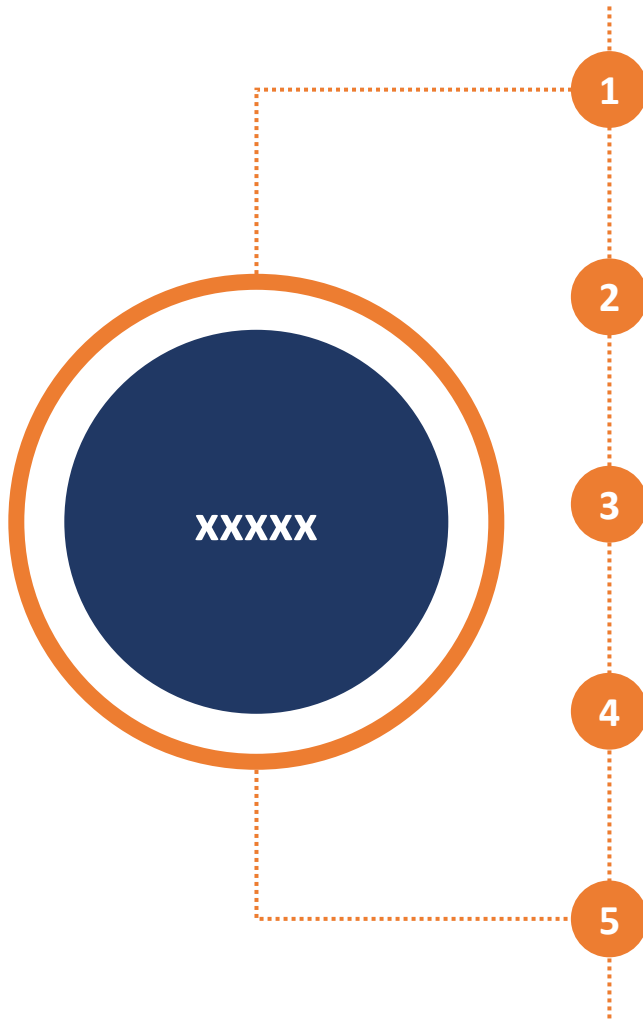


# Winning The New Market Opportunity

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## Overview

In response to the new work-from-home reality, xxx, a leading innovator and supplier of high-end, professional audio and video conferencing products to organizations around the world, introduces xxx, its professional solutions for the home office



1

xxx offers a complete solution under a unified brand.

2

xxxx's proven performance, trusted by Fortune 500 decision-makers for decades, is now available under the xxx brand for professionals in their home office.

3

xxx is available worldwide through a network of xxxxx qualified resellers.

4

A global support team, available around-the-clock, ensures successful setup and use.

5

No home office solutions available in the market today compare with xxx's performance, features, ease-of-use, and value.

•

The global work-from-home (WFH) trend is becoming the new normal, now compelling the need for today's professional home office. Collaboration technology for the home office will play a pivotal role in achieving productivity and operational goals.



**With xxx,**  
**professionals can now re-imagine their workspaces at home**



•

xxxx meets the market need for a complete suite of advanced audio and video conferencing solutions that delivers an enterprise-quality experience to replicate a professional collaboration space in a home-office environment.



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