Opportunity Landscape for Telepresence in India

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Executive Summary

- Conferencing market has undergone a paradigm shift with emergence of Telepresence. Telepresence has a high potential in India as the business solution for real time communication. This market is estimated to grow at a rapid CAGR of 53% and is estimated to reach USD 40 million by 2012.

- Key drivers which could act as a catalyst in the growth of Telepresence market are improved broadband infrastructure, increase in travel cost, globalization and the ‘Green’ initiative by leading enterprises.

- IT/ITES segment are the early adopters of any technological revolution and offer immense opportunity for Telepresence vendors. ISPs could become strategic partners to Telepresence vendors offering one stop solution to end users. Some other sectors, where Telepresence can make in roads are Professional Education Colleges, the Government and the BFSI segment.

- Cisco is the front runner of Telepresence technology globally. Cisco launched its products in India with its Telepresence System 1000 and 3000 in 2006. Cisco has tied up with leading ISPs like Bharti and Tata communications & channel partners like Datacraft to set up private and public rooms of Telepresence across the country.

- Polycom launched its Realpresence portfolio in India in March 2008. It has plans to build on its strategic relationship with Avaya, Nortel and IBM. It has also tied up with the Government owned ISP, BSNL for nationwide roll out of its Realpresence suite. Polycom has a strong customer base of video conferencing solutions, which could be leveraged to up sell its Realpresence suite.

- Key success factors for Telepresence vendors would be to target new segments with innovative product offerings. Targeted marketing initiatives and localized sales efforts could be another key success factor. Making solutions affordable and getting a buy in from stakeholders could result in faster adoption of Telepresence in enterprises.
AGENDA

• Overview of Indian Telepresence Market
• Market Opportunity for Telepresence
• Market Initiatives of Leading Vendors
• Key Success Factors for Telepresence Vendors
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Conferencing market in India has evolved from Audio Conferencing to Telepresence over the years

Process Value Chain in Conferencing

Audio Conferencing (PSTN / ISDN)
- Traditionally PSTN / ISDN lines have been used for three way conferencing which wasn’t a cost effective and efficient solution
- Reduction in broadband tariff and improvement in broadband infrastructure further improved its usage.

Audio Conferencing (VOIP)
- VOIP audio conferencing provides the benefit of much lower cost of communication.

Video Conferencing (VPN/Leased line)
- Video conferencing scores over audio conferencing due to improved communication experience.
- Videoconferencing systems have some limitations such as lack of eye to eye contact, limitation in sound / picture quality, lack of reliability. This is motivating enterprises to move to Telepresence.

Telepresence
- Cisco is the front runner in introducing Telepresence solutions in Indian market.
- Telepresence solutions offer life-size images of meeting participants on a high-definition video (1,080 pixel), and spatial audio. It provides a real time experience to users in communication.

Source: Zinnov Analysis, Zinnov Analysis of Voice and Data

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The Indian Telepresence market is expected to grow at rapid pace and is estimated to reach USD 40 million in 2012.


Note: *Forecasted values from FY 2008 to FY 2012 are estimated and could change in future based on market variables
Source: Zinnov Analysis, Zinnov Analysis of CIOL, AICTE, Indiastat, RBI, CNN
Improvement in broadband infrastructure and increase in travel costs could be the key drivers for the growth of Telepresence

Drivers for Adoption of Telepresence

1. Improvement in broadband Infrastructure
   - Broadband subscription in India has been growing significantly to reach 3.8 million by March 2008
   - Introduction of 3G network in the Indian market will further boost the infrastructure and further facilitate the availability of high speed bandwidth.

2. Increase in the travel cost
   - Increase in cost of travel is a major driver for adoption of Telepresence. It has been estimated that Telepresence can make significant savings in travel costs
   - Loss of productivity due to time saved in traveling and other administrative cost of logistics is another key factor

3. Globalization
   - Influx of global players entering Indian market, which would need regular communication between various offices
   - Indian companies going to global market or partnering with MNC would also feel the need for Telepresence

4. Going green initiatives
   - There has been increased awareness amongst enterprise segment for environment protection.
   - Telepresence would further contribute towards this cause by reducing carbon emission involved in physical travel

Source: Zinnov Analysis
Telepresence has tremendous opportunity to make inroads into non-traditional sectors like Education and Government

Potential of Telepresence Solutions Across Verticals

- **IT / ITES segment**
  - IT / ITES segment have been early adopters of audio video conferencing due to multiple office locations and high onsite offshore delivery model. It could translate into adoption of Telepresence solutions as well.

- **Internet Service providers**
  - ISPs could act as a strategic partner to Telepresence vendors. They can bundle bandwidth along with Telepresence suite to sell one stop solutions to end users.

- **Professional Education Colleges**
  - Leading educational institutes are setting up the infrastructure for arranging guest lectures over conferencing. They could be migrated to Telepresence, which would overcome the limitation of geographic boundaries for students.

- **Government**
  - Some of the state Governments are investing into Conferencing solutions for efficient administration. They could be targeted for pilot deployments, which could later result into large size deployments due to nationwide implementation.

- **BFSI**
  - Due to their widespread operations, leading banks such as RBI, PNS, SBI, UCO Bank, Indian Bank, and Canara Bank have adopted Conferencing. They could be future target for Telepresence.

*Note: Ratings are given for market opportunity in various segments based on ease of adoption within next 4-5 years*

*Source: Zinnov Analysis, Zinnov Analysis of Voice and Data*
Thank You!

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