GLOBAL STUDY: THE BENEFITS AND BARRIERS TO VIDEO COLLABORATION ADOPTION

Executive Summary

Video collaboration technologies are reinventing the workplace by allowing people to meet virtually, efficiently, and reliably from nearly any point on the globe. And although it has become widely accepted that video collaboration helps businesses significantly through reduced travel, benefits such as building trust, improving group collaboration, and increasing competitive advantage, have emerged as equally important factors that are also less commonly studied.

In order to help businesses navigate the wide range of benefits, Cisco recently commissioned a worldwide study uncovering market-led perceptions of video collaboration technologies—defined here as telepresence and video conferencing—in the work place. The research, conducted by Ipsos Mori in mid-2010, polled an internationally representative sample of workers from across 12 important markets and found dramatic differences with users versus nonusers. The data also indicates that both users and nonusers value a broad range of benefits, in addition to travel and cost-savings, such as improving work-life balance, increasing productivity, and reducing confusion.

Key findings from the Cisco global survey include:

- The overwhelming majority (90 percent) of frequent users (those who use video conferencing technologies once or more per week) say video collaboration technologies save them at least 2 hours of valuable work time a week—yet only 33 percent of nonusers believe they could save any time using the technology. These results demonstrate a significant gap between user and nonuser perceptions.
- Most respondents value benefits of video collaboration, such as increased productivity, reduced confusion, and improved group collaboration. And although both users and nonusers recognize the value of video collaboration technologies (76 vs. 60 percent, respectively), workers who frequently use the technology overwhelmingly value some of the qualitative benefits more than nonusers; for example, improving work-life balance (70 percent of frequent users vs. 37 percent of nonusers), increasing competitive advantage (73 percent of frequent users vs. 42 percent of nonusers), and bringing people closer together (71 percent of frequent users vs. 40 percent of nonusers).
- Significant gaps exist in the perception and use of the technology among nations, with online workers in China consistently ranking high in terms of usage and perceived benefits. More than half of respondents in China use video collaboration technology (56 percent)—more than double the respondents of any other country. When asked to rank 15 potential benefits of video collaboration technology, a significantly higher percentage of workers in China acknowledged the benefits as compared with workers in the other countries surveyed.

Critical Barriers to Adoption: Lack of Experience, Lack of Understanding of Benefits, and Cost

When it comes to video collaboration, the most commonly used measure for return on investment (ROI) is savings from reduced travel. Companies around the world have saved hundreds of thousands of dollars each year by offering employees alternatives to flying to meet with colleagues, partners, or clients face-to-face. One such example, global architectural and design firm Woods Bagot, saved $440,000 on travel costs alone in just 1 year as part of a pilot program to connect its Sydney, Dubai, and San Francisco offices with video collaboration technologies.

Yet, although cost savings and the ROI from video collaboration have been widely proven and accepted, respondents still perceive cost as a potential barrier to embracing the technology. Specifically, 33 percent of respondents worldwide ranked cost concerns as a primary barrier to adoption, whereas 30 percent cited budget concerns (refer to Table 1).

Interestingly, however, the top response in this survey category was not related to financial concerns: Most respondents worldwide (35 percent) cited “lack of experience” as the primary barrier to adoption. “Lack of awareness of benefits” was listed as the fourth most significant potential obstacle to adoption of video collaboration technology by 29 percent of total respondents. Chinese workers polled ranked this barrier higher than any other country (19 percent), whereas respondents from Spain (14 percent) cited it as the top potential barrier to adoption.

Also noteworthy is that China was unique among nations surveyed with its top answer: Twenty-two percent of respondents cited “different providers cannot work together” as the greatest potential barrier to adoption of video collaboration technologies. This response indicates that education about interoperability continues to be a critical factor and should continue to be a priority in order to address existing misperceptions.

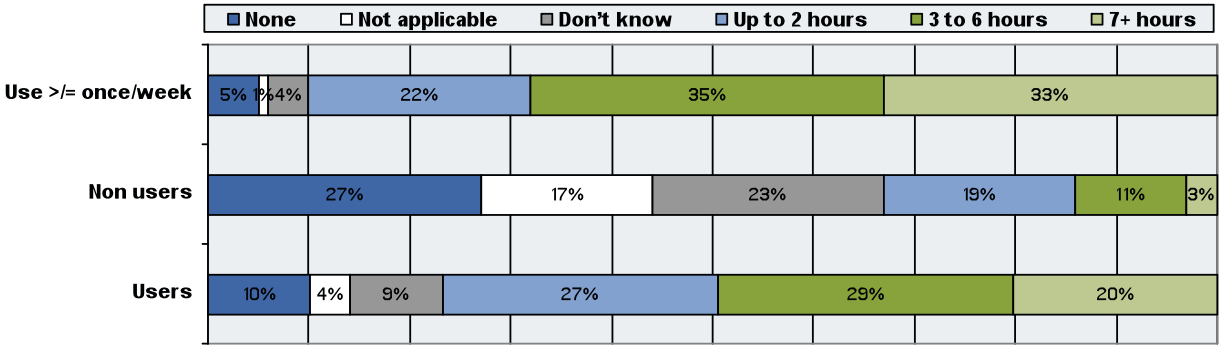
Table 1: Main Reason for Barriers to Adoption of Video Collaboration Technology
(Total percent of respondents identifying variable as a barrier indicated in parentheses next to variable)

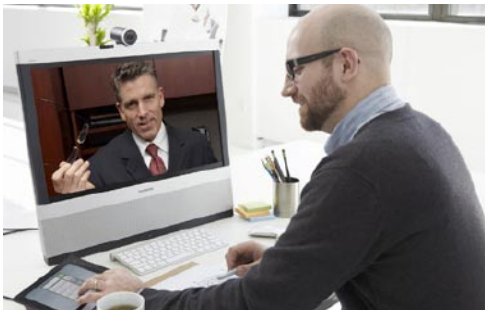
Barriers	USA	Aus	China	Russia	UK	France	Germany	Spain	N lands	Norway	Sweden	Denmark
Lack of Experience (35%)	7%	8%	6%	9%	5%	11%	10%	11%	7%	9%	9%	7%
High Install Cost (33%)	10%	11%	10%	13%	12%	13%	11%	8%	8%	6%	6%	9%
Lack of Budget (30%)	18%	13%	3%	18%	20%	12%	16%	13%	16%	8%	7%	11%
Lack of Awareness of Benefits (29%)	7%	8%	19%	9%	8%	8%	8%	14%	5%	8%	9%	10%
High Cost of Ongoing Investment (26%)	9%	7%	7%	7%	7%	7%	4%	9%	5%	5%	6%	3%
Employees don’t Want to be Seen (23%)	5%	5%	5%	6%	4%	7%	9%	4%	5%	4%	4%	4%
Different Providers Can’t Work Together (23%)	5%	4%	22%	3%	3%	6%	6%	4%	3%	3%	4%	5%
Insufficient Broadband Infrastructure (21%)	4%	6%	12%	14%	4%	6%	5%	8%	3%	5%	3%	5%
Perceived as Difficult to Use (21%)	4%	5%	2%	2%	3%	5%	5%	3%	2%	4%	3%	2%
Perceived as Unnatural (18%)	4%	6%	5%	2%	5%	6%	8%	4%	8%	9%	5%	9%
Perceived as Unreliable (18%)	4%	4%	7%	4%	3%	2%	3%	3%	1%	1%	2%	1%

The Great Divide: Seeing is Believing

The overwhelming majority (90 percent) of frequent users (those who use video conferencing technologies once or more per week) say the technology saves them at least 2 hours of valuable work time per week; yet despite the significant time savings frequent users realize, only 33 percent of nonusers believe they could save any time using the technology. Surprisingly, one-third of those who use it frequently also estimate they save nearly 1 full day—7 hours or more—per week, adding up to more than 2 months of time a single employee can gain back over the course of a year (refer to Table 2).

Figure 2: Perceptions of Potential Time Savings from Video Collaboration Technology: Users Versus Non Users

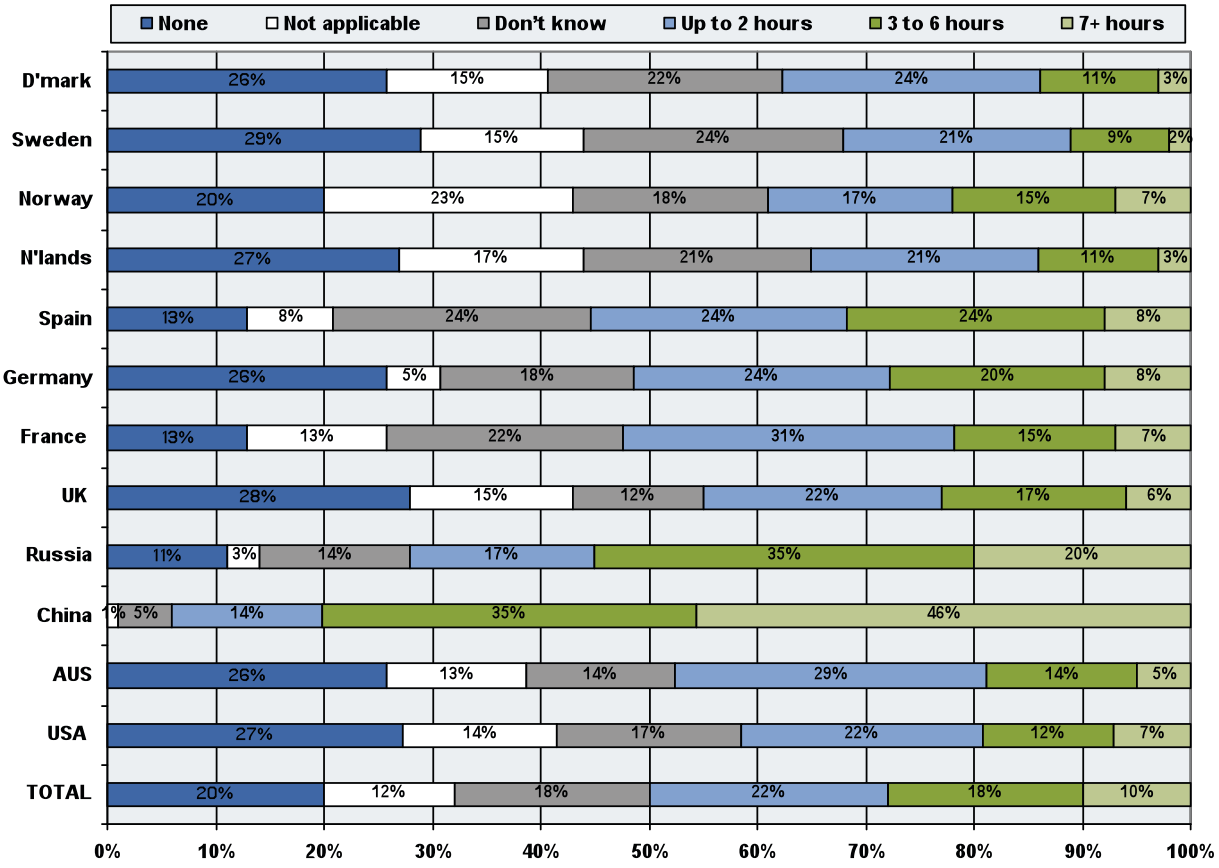




The great divide between users and nonusers indicates that seeing really is believing. Ivan Ross, Director and COO of Woods Bagot, is the first to admit that he was once a skeptic too. “We knew we’d be able to justify the investment in travel costs, but if people have a bad experience, they go back to flying, so I needed to be convinced that our employees would use it. We knew that experiencing the benefits would be key. And once they tried it, convincing them to hold meetings virtually vs. spend hours flying around the world became a moot point.”

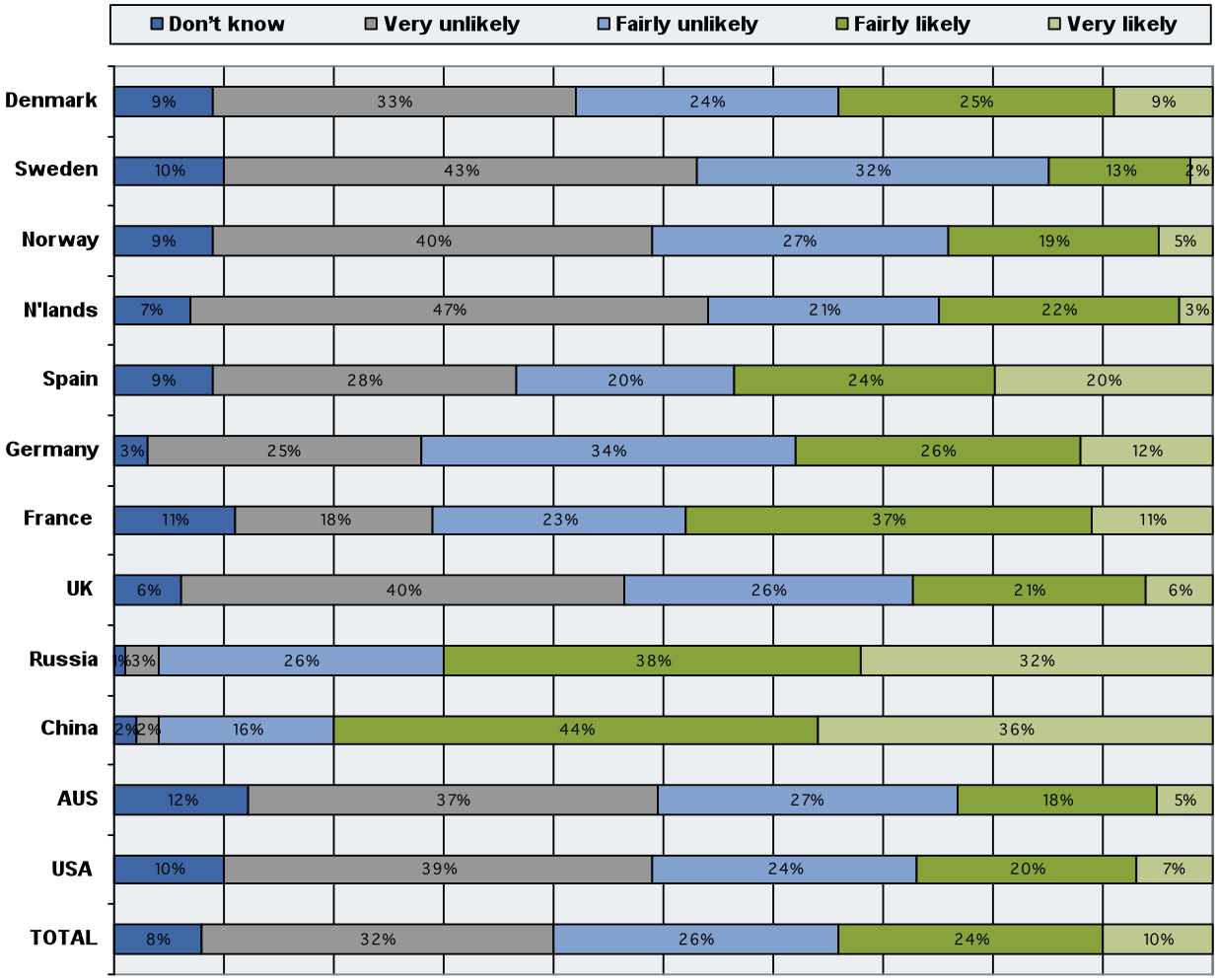
Globally, the highest percentage of workers who believe they can experience time savings of 7 hours or more per week is China (46 percent)—significantly higher than the 10-percent average across geographies. And 20 percent of Russian workers report they are able to save more than 7 hours per week through the use of video collaboration and telepresence (refer to Table 3).

Table 3: Perceptions of Potential Time Savings from Video Collaboration Technology: By Country



Among those workers not using video collaboration or telepresence technology, 6 out of 10 say they do not have access to these communication tools in the workplace. One-third of workers worldwide not currently using video collaboration technology would likely do so if it were available to them. Survey respondents in China and Russia are most positive about their likelihood of embracing the technology if they had access to it (refer to Table 4).

Table 4: Likelihood to Start Using Video Collaboration Technology if Available



Embracing The Softer Side of Video Collaboration

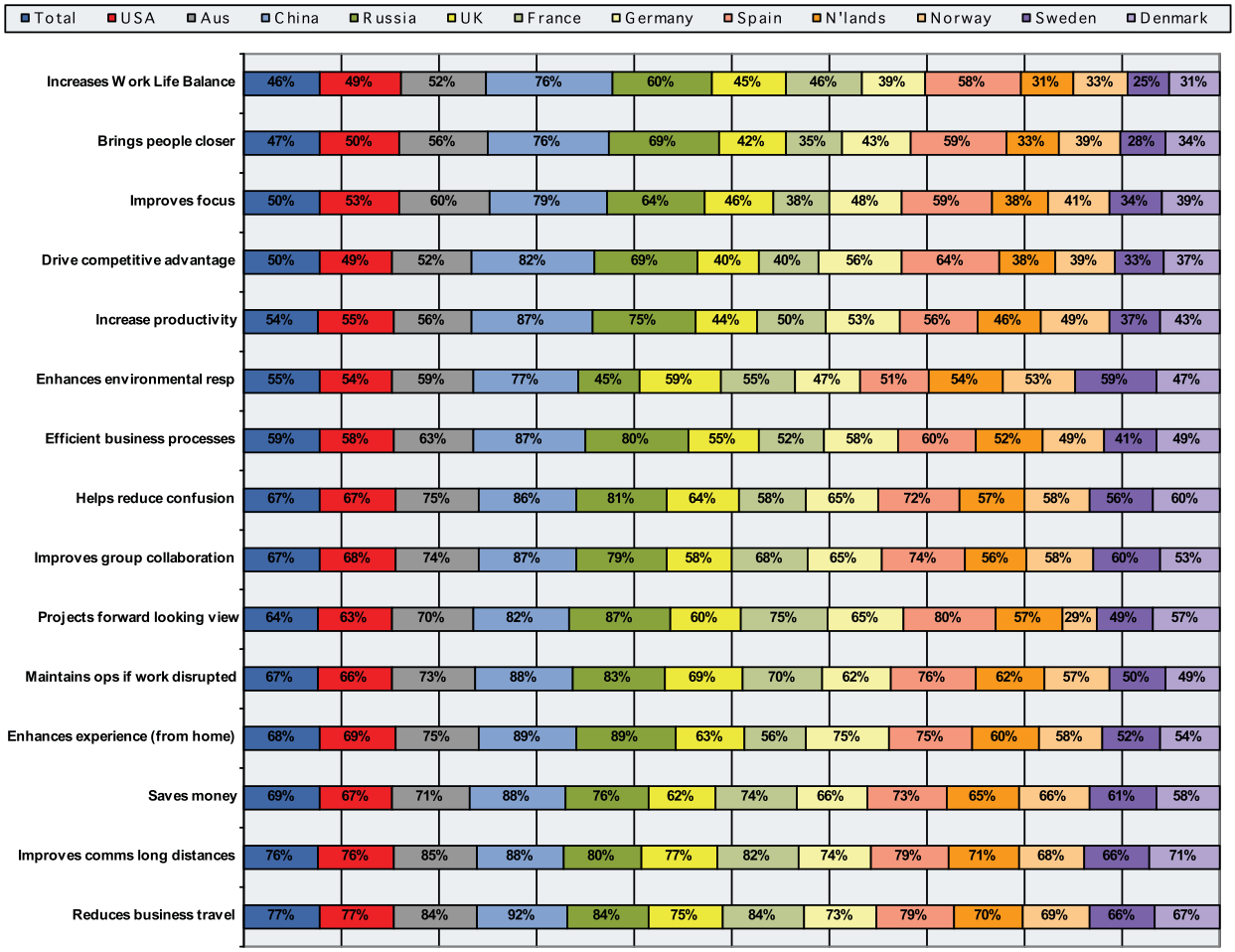
The research clarifies the current perceptions about the benefits of video collaboration. Ironically, although cost and budget concerns were cited as primary barriers to adoption, 69 percent of respondents said saving money was one of the greatest perceived benefits of video collaboration technology. In fact, saving money was ranked in the top three perceived benefits, along with reduced business travel (77 percent) and improved long-distance communications (76 percent).

Additionally, the research validates that the more qualitative benefits are just as powerful as the often-discussed travel and cost-reduction benefits that help direct business (refer to Table 5). Most respondents—users and nonusers—agree that the technology:

- Enhances experience from home (68 percent)
- Helps maintain business continuity if a disruption occurs (67 percent)
- Helps organizations project a forward-looking view (64 percent)
- Improves group collaboration (67 percent)

- Reduces confusion (67 percent)
- Makes business processes more efficient (59 percent)
- Enhances environmental responsibility (55 percent)
- Increases productivity (54 percent)
- Improves competitive advantage (50 percent)
- Improves focus (50 percent)
- Brings people closer (47 percent)
- Improves work-life balance (46 percent)

Table 5: Perceived Benefits of Video Collaboration Technology: Users and Nonusers Combined by Country



	Total	USA	Aus	China	Russia	UK	France	Germany	Spain	N'lands	Norway	Sweden	Denmark
Increases Work Life Balance	46%	49%	52%	76%	60%	45%	46%	39%	58%	31%	33%	25%	31%
Brings people closer	47%	50%	56%	76%	69%	42%	35%	43%	59%	33%	39%	28%	34%
Improves focus	50%	53%	60%	79%	64%	46%	38%	48%	59%	38%	41%	34%	39%
Drive competitive advantage	50%	49%	52%	82%	69%	40%	40%	56%	64%	38%	39%	33%	37%
Increase productivity	54%	55%	56%	87%	75%	44%	50%	53%	56%	46%	49%	37%	43%
Enhances environmental resp	55%	54%	59%	77%	45%	59%	55%	47%	51%	54%	53%	59%	47%
Efficient business processes	59%	58%	63%	87%	80%	55%	52%	58%	60%	52%	49%	41%	49%
Helps reduce confusion	67%	67%	75%	86%	81%	64%	58%	65%	72%	57%	58%	56%	60%
Improves group collaboration	67%	68%	74%	87%	79%	58%	68%	65%	74%	56%	58%	60%	53%
Projects forward looking view	64%	63%	70%	82%	87%	60%	75%	65%	80%	57%	29%	49%	57%
Maintains ops if work disrupted	67%	66%	73%	88%	83%	69%	70%	62%	76%	62%	57%	50%	49%
Enhances experience (from home)	68%	69%	75%	89%	89%	63%	56%	75%	75%	60%	58%	52%	54%
Saves money	69%	67%	71%	88%	76%	62%	74%	66%	73%	65%	66%	61%	58%
Improves comms long distances	76%	76%	85%	88%	80%	77%	82%	74%	79%	71%	68%	66%	71%
Reduces business travel	77%	77%	84%	92%	84%	75%	84%	73%	79%	70%	69%	66%	67%

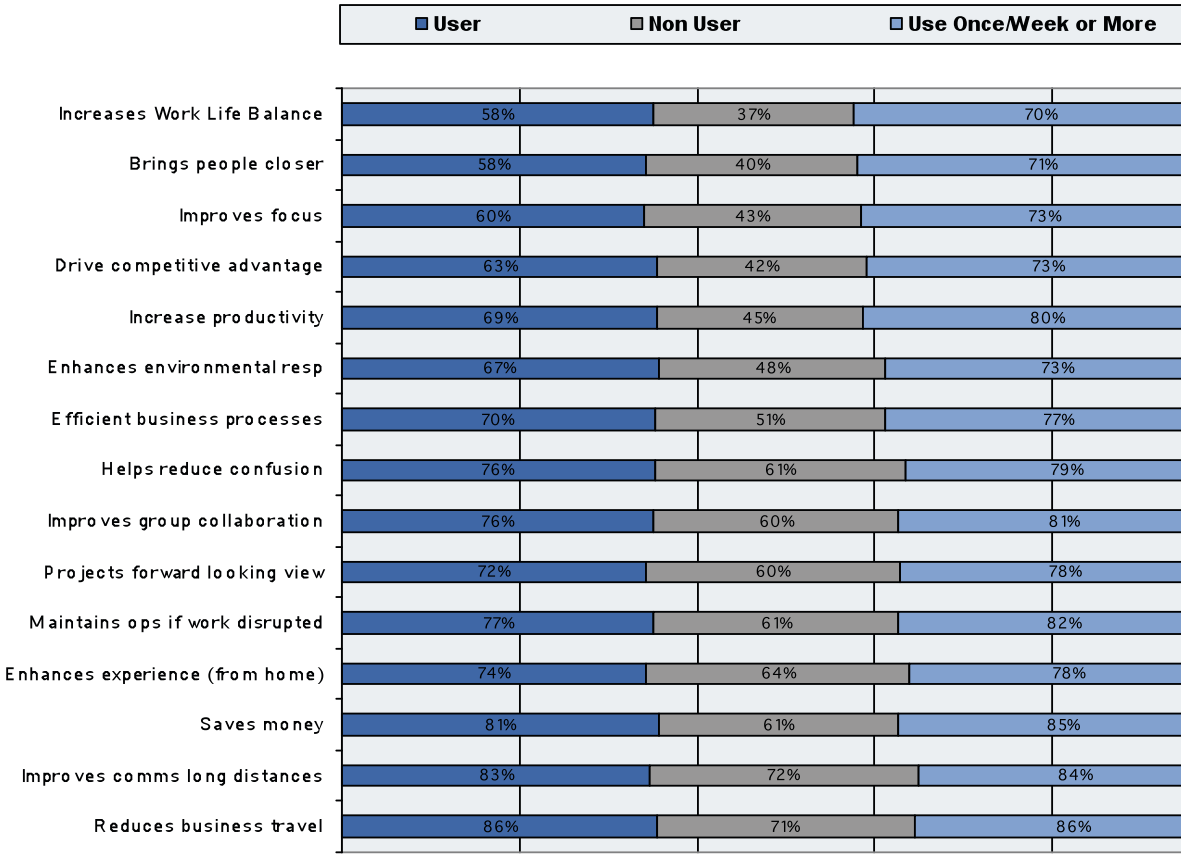
Examples of how companies are not only realizing cost savings but also benefits such as improving business processes and helping organizations project a forward-thinking view are countless. For example, United Steelworkers used video collaboration technology during a merger and as a result, cut the process by 6 months, facilitated closer relationships, reduced travel, and recovered its investment costs after just 1 year.

Cisco customer Tommy Hilfiger is another example of a company that uses telepresence to gain a competitive advantage. Through the creation and implementation of a virtual fitting room with a customized telepresence solution, the company has reduced time to market while saving time and money.

From a global perspective, Sweden, the United Kingdom, and the Netherlands have the highest percentage of workers who do not perceive any potential cost savings from using video collaboration or telepresence. However, it should also be noted that these three countries also reported the highest percentage of workers engaging in face-to-face meetings on a daily basis, indicating cultural differences in business interactions and relationships might play a role.

The survey also revealed that video collaboration technologies are positively affecting the personal lives of many workers who frequently use them: More than 70 percent of users said the technology improves their work-life balance, compared to just 37 percent of nonusers. In addition, 71 percent of users think that the technology helps to bring people closer together. Frequent users of video collaboration technology overwhelmingly value these types of benefits more than nonusers, likely because nonusers have not used the technology enough (if at all) to experience these types of positive benefits firsthand.

Table 6: Perceived Benefits of Video Collaboration Technology: Users Versus Nonusers



More than two-thirds of all respondents do recognize the environmental benefits of using video collaboration technology, through either enhancing environmental responsibility or reducing travel. And although the environment might not be a driving factor for adoption for many businesses, the environmental benefits are indisputable. Vodafone, for example, implemented video collaboration to reduce travel. In the course of 1 fiscal year, the company not only eliminated more than 40,000 business trips, but also saved an estimated 17,000 tons of CO_2.

China Is Biggest Fan of Video Collaboration

The Cisco survey data reveals significant gaps in the perception and use of the technology among nations, with China consistently ranking high in terms of usage and perceived benefits (refer to Table 4). More than half of respondents in China use video collaboration technology—more than double the respondents of any other country.

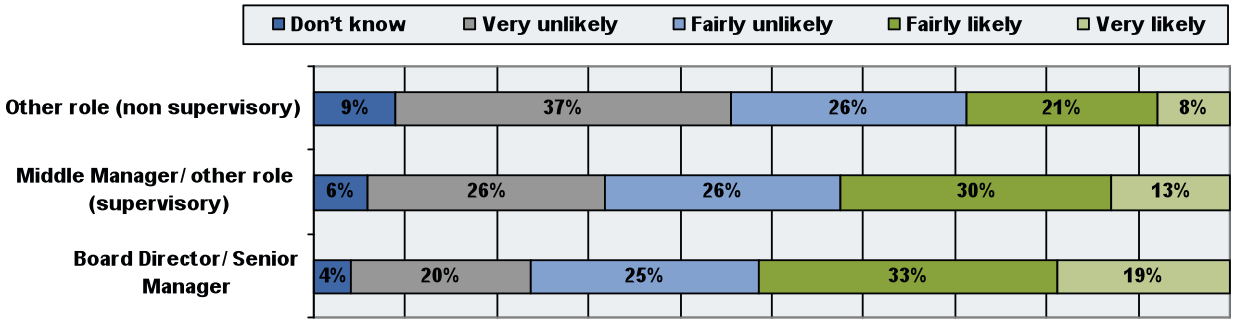
When asked to rank 15 potential benefits of video collaboration technology, a significantly higher percentage of workers in China acknowledged the benefits, as compared with workers in other countries (refer to Table 5). China and Russia also stood out among nations in the survey for having the highest percentage of workers who believe that video collaboration technology enhances the experience of working from home.

China also had more respondents than any other country in the survey reporting that they frequently use video collaboration technology (52 percent) and web conferencing technology (47 percent) for personal communications.

Embracing Video Collaboration from the Top Down

Executives are far more likely to start using video collaboration if available (51 percent), when compared to nonsupervisory workers (29 percent), according to the survey (refer to Table 7). The data also shows that executives at the board director or senior level are also the workers who meet most frequently with colleagues at different locations in the same country (72 percent) and abroad (30 percent).

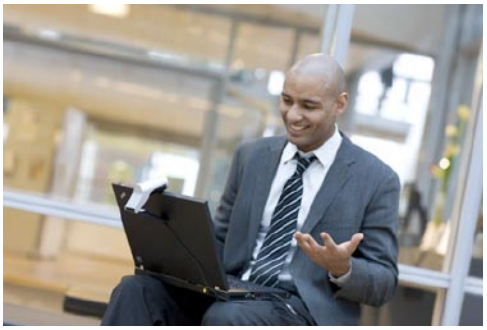
Table 7: Likelihood to Start Using Video Collaboration Technology if Available



Thus, it is not surprising that the Cisco survey revealed that a much higher percentage of executive-level workers perceive time savings from video collaboration (79 percent) as compared to nonsupervisory workers (36 percent) who need to travel less.

Conclusion

The data derived from the Cisco survey provides valuable insight into how video collaboration is transforming the way people work and communicate for business. Many countries have already embraced these technologies—and they are saving time and money through greater efficiency, productivity, and the reduced need for travel. The results also indicate that many workers perceive that these communication tools are helping them build strong relationships with their clients and with colleagues who work at other locations. More than that, the survey has revealed that using solutions such as telepresence and video conferencing in the workplace can positively affect the personal lives of today's workers by helping them achieve a better work-life balance.



Although not all workers have access to video collaboration technologies, it is clear that the market is poised for growth. More workers are using video collaboration and telepresence more frequently, and more than one-third of nonusers worldwide intend to use the technology as soon as it becomes available to them. Costs for video collaboration and telepresence solutions are on the decline while quality is improving exponentially, so workers who do not yet have access to the technology, or have the opportunity to use it only occasionally, may not need to wait long to experience the many potential benefits of the visually enabled workplace.

About the Study

The online survey, conducted for Cisco by Ipsos Mori during May and June 2010, polled 500 workers in each of the following critical markets: Australia, China, Denmark, France, Germany, the Netherlands, Norway, Russia, Spain, Sweden, the United Kingdom, and the United States. Respondents were 18 years old or older, work full or part time, take part in at least one work-related call per week, and work in an organization with at least 250 employees (refer to the appendix for additional demographic information).

About Cisco

Cisco, (NASDAQ: CSCO), the worldwide leader in networking that transforms how people connect, communicate and collaborate, this year celebrates 25 years of technology innovation, operational excellence and corporate social responsibility. Information about Cisco can be found at www.cisco.com.

For more information about Cisco TelePresence solutions - from the laptop to immersive telepresence rooms - visit www.cisco.com/go/telepresence.

Appendix

Table A1 lists the survey demographics by country, and Table A2 lists the demographics by usage, company size, and position.

Table A1: Survey Sample Demographics by Country

	Total	USA*	AUS*	CHN**	RUS**	UK*	FR*	GER*	ESP**	NL*	NOR*	SWE*	DNK**
Total Base	6041	500	507	503	507	501	501	504	503	508	501	503	503
Gender:													
Male	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Female	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Age:													
Age 18-24	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Age 25-34	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Age 35-44	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Age 45-54	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Age 55-64	14%	12%	14%	14%	13%	13%	15%	15%	14%	15%	13%	14%	13%
Age 65+	1%	3%	1%	1%	2%	2%	-	-	1%	-	2%	1%	2%
Working status:													
Work Full Time (30+ hrs)	84%	80%	80%	93%	93%	80%	80%	80%	92%	80%	80%	80%	90%
Work Part Time	16%	20%	20%	7%	7%	20%	20%	20%	8%	20%	20%	20%	10%
Company:													
National	62%	64%	62%	72%	77%	60%	59%	55%	62%	62%	55%	63%	51%
International	38%	36%	38%	28%	23%	40%	41%	45%	38%	38%	45%	37%	49%
Total Base	6041	500	507	503	507	501	501	504	503	508	501	503	503
No. employees:													
250-999 workers	27%	23%	24%	39%	42%	16%	21%	25%	26%	29%	23%	26%	26%
1,000-4,999 workers	26%	25%	26%	31%	29%	22%	20%	26%	23%	27%	27%	25%	25%
5,000-9,999 workers	13%	15%	12%	15%	8%	13%	11%	13%	13%	12%	14%	16%	15%
10,000+ workers	32%	37%	35%	16%	19%	47%	46%	35%	34%	28%	32%	29%	31%
Position at work:													
Board Director /Senior Manager	8%	7%	6%	25%	9%	6%	6%	8%	5%	5%	8%	3%	3%
Middle Manager/ Supervisory	41%	41%	47%	65%	56%	52%	34%	32%	49%	48%	27%	19%	22%
Non supervisory	50%	50%	46%	10%	35%	40%	58%	56%	44%	45%	64%	76%	74%
Travel for business:													
Ever	63%	56%	56%	97%	76%	54%	52%	67%	56%	42%	77%	67%	60%
Once a month+	17%	14%	12%	59%	17%	15%	13%	14%	15%	5%	18%	11%	7%
Less than once a month	47%	42%	43%	38%	59%	39%	39%	53%	41%	37%	60%	56%	53%
Children:													
Have children at home	42%	39%	29%	64%	41%	42%	55%	42%	36%	37%	39%	40%	38%

Table A2: Survey Sample Demographics by Usage, Company Size, and Position

	User	Non user	Use once pw or more	Use less than once pw	250-999 employees	1000+ employees	Board Director/ Senior Mngr	Middle Mngr/ supervisory	Non supervisory
Total Base	2400	3538	876	1524	1596	4294	461	2497	3004
Gender:									
Male	56%	46%	59%	54%	48%	51%	64%	55%	44%
Female	44%	54%	41%	46%	52%	49%	36%	45%	56%
Age:									
Age 18-24	10%	10%	16%	7%	10%	10%	8%	9%	11%
Age 25-34	24%	26%	27%	23%	25%	25%	23%	24%	26%
Age 35-44	26%	24%	25%	28%	22%	26%	28%	25%	25%
Age 45-54	24%	25%	21%	26%	25%	25%	26%	26%	24%
Age 55-64	14%	14%	11%	15%	15%	13%	12%	15%	13%
Age 65+	1%	1%	1%	1%	2%	1%	2%	1%	1%
Working status									
Work Full Time	89%	81%	88%	90%	81%	85%	92%	89%	79%
Work Part Time	11%	19%	12%	10%	19%	15%	8%	11%	21%
Company:									
National	55%	66%	55%	56%	86%	55%	56%	62%	63%
International	45%	34%	45%	44%	14%	45%	44%	38%	37%

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