Osterman Research Executive Summary

Enterprise VoIP Market Trends, 2008-2011

Report Focus

This report focuses on the North American market for VoIP among organizations in the mid-sized (100-1,000 email users) and enterprise markets (>1,000 email users). We have chosen to define organizational size based on the number of email users and not employees, since the former tends to be a more important determinant of technology choices for most organizations. This document discusses the results of an in-depth market research program conducted specifically for this report. It focuses on a major primary research survey of messaging decision-makers in North American organizations.

Key Findings and Trends Discussed in this Report

- **Get ready for unified communications**
  More than seven out of 10 respondents expect VoIP to be important or "extremely important" to their organizations by late 2008. More than three out of five organizations say they now view deploying unified communications at the end of 2008 as very important or "extremely important".

- **Consumer VoIP in the Enterprise?**
  Enterprise telecom buyers will never openly admit to it, but nearly 40 percent of the respondents surveyed indicated their organizations would consider using a consumer/public VoIP solution instead of an in-house or private VoIP solution. At the same time, three out of four companies do not sanction the use of consumer or public VoIP services.

- **Watch the PSTN Access**
  Three-quarters of organizations insist that their IP-based phone system provide access to the Public Switched Telephone Network (PSTN). This might change though as carriers provide VoIP trunk connections to their VoIP services. Then, access to the PSTN will be outsourced to the service provider.

- **Convergence is in full steam, but IT isn't willing to give up on cost savings to gain the benefits of VoIP**
  Nearly eight out of 10 respondents expect to converge their voice and data infrastructure. The overwhelming majority of respondents not converging voice and data networks indicated that "substantial legacy telecom investments would be lost if we implemented VoIP", as compared to just a little more than a third of those who have such plans.

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- **VoIP buyers want cost savings**
  That message came through across the survey. The two most desirable VoIP alternatives -- "the ability to use telephones from multiple vendors" (66% of respondents) and "a VoIP PBX software solutions" – are major factors in reducing the costs of telecommunications. Seven out of ten respondents indicated that the price of a VoIP/PBX solution had to be substantially lower than the existing PBX solution (or equivalent) and the same number indicated that "lower telephone costs" were a motivator or "strong motivator" for migrating to VoIP.

- **Reliability is paramount**
  Organizations expect their VoIP systems to work as effectively as their current PBXs. Nine out of ten organizations will be extremely satisfied if they experience just five minutes of downtime per year (99.999% uptime). However, satisfaction drops off rapidly at lower levels of reliability – only six out of ten companies will be satisfied with 53 minutes of downtime per year (99.99% uptime).

- **Does presence matter?**
  More than one-half of respondents indicated that integration with presence was a "motivator" or a "strong motivator" for migrating to VoIP.

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Part of what makes us unique is our market research panel: a large and growing group of IT professionals and end-users around the world with whom we conduct our research surveys. This allows us to conduct surveys quickly and accurately.

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