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STREAM OF CONFERENCES: The reluctance to fly people around for meetings has changed the way some businesses communicate. Craig McGuire charts the boom in e-conferencing and webcasting technologies

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On the morning of September 11, a handful of professors from the University of North Carolina, Charlotte, set out to attend a conference in Scotland, where they were scheduled to give a presentation. Like thousands of other travelers that morning, they never left the ground.

Shortly after the FAA shut down the nation's airspace, the UNC delegation huddled with e-conference provider Centra Software, determined to get its message across.

"With very little time to prepare, these professors were able to give their presentations online successfully, in real time, from the US to the conference in Scotland," says Centra representative Sharon Dratch.

"They had a PC projecting onto a large screen for the 500 conference attendees, who were able to talk and interact with the professors."

Even before September 11, businesses were changing the way they communicated, leveraging new technologies and techniques to bridge the span of space and time. But the recent reluctance to fly, whether from inconvenience or fear, has propelled the adoption of e-conference technology.

According to a survey by the National Business Travel Association (NBTA) in late September, 58% of corporate travel managers said their companies will reduce travel because of the terrorist attacks. Conversely, 88% of participants claim they will increase their use of technology to communicate.

And the implications are huge for the way organizations carry out corporate communications, investor relations, internal communications, and product launches.

Centra is just one of dozens of vendors jockeying for position in a field growing more and more crowded. That's not to say that everyone and their motherboard isn't breaking off their own piece of the e-pie. On the first trading day following the attacks, the stock prices of videoconferencing and web-conferencing companies shot up dramatically.

Raindance, PictureTel, Polycom, WebEx, and others in the space saw their stock prices rise sharply on a mostly down day for Wall Street. Raindance was the biggest winner, climbing 42.4%.

Though suddenly sexy, e-conferencing, and streaming technologies at large, have been on the rise for some time. And the industry is growing with them: The \$2.9 billion global teleconferencing market, which includes e-conferencing, is growing at almost 48% each year, and will reach almost \$10 billion in 2005, according to communications research firm Wainhouse Research.

Meanwhile, hi-tech companies, such as Cisco and Hewlett-Packard, which each have interests in the streaming media industry, are leading by example.

Cisco averages 30 live webcasts and 300 to 600 on-demand streaming events per month. HP produces hundreds of webcasts annually, and last year made over 1,000 streaming videos available on-demand.

Bottlenecking the bandwidth

However, as is often the case with rapidly developing technologies, the space is clogged with many players rushing to market with extremely disparate offerings.

"There are currently more than 50 e-conferencing vendors out there, and none of them are a standard," points out Nathan Bieck of E-Conference.

"Some work on Macs. Others don't. Some work on 28.8k modems and above. Others don't. Deciding on only one technology can be painful."

Even before Osama bin Laden laid siege to the American psyche, there was a steady surge in usage due in part to communications budgets - often the first to get hit in down markets - being squeezed to do more with less.

"There was a bump after the attacks, but the entire economic slowdown really contributed to the success of corporate streaming in the last year," says Streaming Media senior editor Jose Alvear. "Many people claim that streaming will become just another way to communicate in a company, much like phones and faxes are used today."

When streaming started flowing

Streaming media was "invented" around 1995. Though often hampered by limited bandwidth and other real-world constraints, it has skyrocketed in popularity.

Alvear says Streaming Media's research found 75 percent of the Fortune 200 already using streaming features on their websites, mostly for analyst briefings to fulfill the SEC's disclosure requirements.

"Most of the events are on-demand, because it's best for companies with offices worldwide," says Alvear. "Employees can access streams at any time, no matter where they are connected. As for types of content, it's mostly corporate communications (like analyst conference calls, executive briefings), employee communications (teaching employees about products and the company), and marketing to help with product launches, demos, and more."

Because e-conferencing provides an effective, efficient way of virtually drawing thousands together, whether for product launch or investors' squabble, it is being eyed as a reasonable replacement for business travel.

The numbers support this. After September 11, the US Chamber of Commerce reported that 75% of September and 35% of October events were cancelled or postponed. Clearly, the attacks opened up a floodgate of new business.

Most vendors that PRWeek spoke with reported a 30% to 50% jump in business immediately following September 11.

These include companies like Netspoke, a fledgling Boston-area virtual meeting solutions provider that has seen its revenues more than double for 2001, and projects up to a four-fold increase for 2002. The young company - with 1,000 customers, including Frederick's of Hollywood, Conesco, Primedia, Aramark, and the Hard Rock Cafe - expects to be profitable in Q1 of next year.

It's all about communication

Though air travel may be difficult, and even prohibitive at times, that doesn't diminish the need for effective communication.

"They need to communicate now more than ever with their customers, partners, resellers ... you name it," says E-Conference's Bieck. "We have seen not only the number of online events increase, but customers that were already running events had more people on their e-conferences." E-Conference reported a 25% growth in revenue from September 12 to October 12.

As for the future, the top 1,000 companies ranked by revenue will spend about \$2.8 billion on webcasting in 2005, predicts Shany Varghese

of Upstart Vision. That's almost 10 times as much as the \$290 million that is estimated for this year.

But, given the circumstances under which e-conferencing has skyrocketed, will corporate conferences continue be replaced by internet technologies into 2002? Possibly not.

A survey conducted by Equation Research between September 17-18 for Meeting News showed that three quarters of the 54% of meeting planners who said they had canceled at least one meeting in the week following the attacks do not anticipate canceling more meetings. Furthermore, nearly 71% of all planners surveyed said they expected their organizations will not schedule fewer meetings over the next year as a result of the attacks.

"The e-conference will never take the place of face-to-face meetings," says Bieck. "But they offer an inexpensive way to increase collaboration amongst everyone in their space."

COMPANIES TURNING TO TECHNOLOGY IN LIEU OF TRAVEL

WebMethods

The integration software provider used Biznews24's Inteleshow product in October to introduce its CEO and products to potential customers. The "show" included custom graphics, search capabilities, and product info slides. Viewers: 5,000 in first weekend. Cost: \$12,500. ROI: \$2.50 per viewer. Within weeks of its first Inteleshow, webMethods commissioned 11 additional video pieces for its website.

Autodesk Design software company Autodesk needed to train its partners on a new AutoCAD rollout, and initially planned a 23-city road tour. Following the terrorist attacks, it commissioned PlaceWare to set up a Virtual Classroom instead. Cost analysis: Total expense, \$76,700 (versus \$330,000 for the road tour); Partners trained, 1,250 (650); Program delivery time, three weeks (12 weeks).

KPMG Consulting KPMG began working with MindBlazer to produce a new webcast, called BPI, to premiere in the first quarter of 2002. It will cover topics such as reducing operating costs, disaster recovery, and network management. KPMG has always had webcasting expertise in-house, but had never before used it to communicate with its target audience.

Public Relations Society of America

Unsure of the impact September 11 would have on its annual conference (held at the end of October), the PRSA began working with Digevent to tape several popular sessions in Atlanta, and will make them available, on a pay-per-view basis, beginning in early 2002.

Bentley Systems

The engineering software provider canceled its multimillion-dollar International Users' Conference scheduled for late September, where it planned to release the latest version of its flagship MicroStation V8. Instead, on October 23, Bentley conducted an international simulcast seen in 20 cities, including New York, Los Angeles, Paris, London, Munich, Milan, and Paris. And before that, the company held an "employees only" simulcast to discuss and review corporate communications and general business issues.

Chief Learning Officer 2001 Conference

The conference, which was due to get underway on the day of the attacks, was subsequently cancelled. But using Centra, the two-day event was delivered wholly online, replicating segments of the original agenda, and allowing participants to interact with industry leaders and peers.

The American Forest & Paper Association

The AFPA had scheduled its annual meeting in Colorado for the week after the attacks. With the airports grounding all planes and people fearful of flying, the association relocated the event to its offices in Washington, DC, and got Biznews24 to film it for a video-web-conference.