



CONVERGED COMMUNICATIONS
COMPETITIVE INTELLIGENCE

Market reports

AUSTRALIAN BUSINESS ENTERPRISE COMMUNICATIONS USAGE AND DIRECTIONS, 2008 END-USER SURVEY

July 2008

Unified Communications has altered the decision maker's paradigm of enterprise communications. It has moved away from a typical traditional voice centric assessment to criteria that seek maximise business process streamlining and productivity gains, with minimal business process re-engineering.

Produced annually as the flagship report in Telsyte's *Business Decision Maker Series*, this study provides a detailed investigation and comprehensive analysis of enterprise communications technology trends among Australian businesses. Key findings from this study include:

- Peer referral is a powerful source on purchase decisions. Word of mouth from trusted colleagues, industry peers or personal friends has always been a major source of influence, which correlated highly with customer satisfaction. Decision makers also favour direct interaction with the vendors and service providers. Although it is less so in the Mid-Market and Large businesses, due to complex procurement practices.
- Service provider is the prime source of advice followed by direct consultation with the equipment vendors. Decision makers are less inclined to seek independent advisory sources such as technology consultants, technology research firms and management consultants.
- Cisco, Avaya and Alcatel-Lucent have been able to successfully repackage their enterprise product offerings, including UC, to cater for the needs of the medium market segment. The push for UC in this market is likely to eliminate traditional vendors with no UC propositions such as Panasonic and Samsung in the next 5 years, largely expected to be in line with replacement cycles.
- Although large enterprises are currently proving to be the early adopters of UC, the mid-market businesses are poised to follow soon after. Essentially opting to wait till UC becomes more mature and the business case for the large enterprise market is proven.
- Australian businesses are at a crossroad in terms of technological change. The technological has long shaped the behaviour of the end-user, the workforce, the CIO and IT managers. However, with the emergence of Unified Communications (UC), the end-user has been given the opportunity to shape the technology to cater for their needs.
- Despite the imminent slowdown in the Australian economy, Australian business decision makers have indicated they, in the 12 months, are either likely to increase spending or sustain the current level of telecommunications spending.

- On-demand web collaboration is particularly attractive for the SME market as the on-demand nature of the service minimise capital investment and onsite support.
- Decision makers in general have a positive view of Microsoft in the UC ecosystem. Breaking down by business size, the small, medium and mid-market segments are particularly positive about Microsoft, with the small market segment having a strong view that Microsoft will be the market leader in UC.
- Over 60% of Australian business decision makers have indicated that 'Greenness' is either very important or is becoming important in vendor selection. The view is especially strong among the large enterprise.
- Conclusion and recommendations.

Published simultaneously with this study are two other Market Analysis and Forecast Series reports, namely:

- *Australian Business Fixed Line Usage and Directions, 2008 End User Survey* (Publication Number: 80486); and
- *Australian Mobile Usage and Directions, 2008 End User Survey* (Publication Number: 80487).

Australian Business Enterprise Communications Usage and Directions, 2008 End User Survey is a 55-page report costing \$2,995 (excluding GST) and includes 44 Figures and 6 Tables.

Table of Contents

Section	Description	Page
1	INTRODUCTION	6
1.1	Methodology	6
1.2	Definitions	8
2	EXECUTIVE SUMMARY	10
3	ENTERPRISE TELEPHONY MARKET AND DECISION MAKING PROCESSES	12
3.1	2008 Australian Enterprise Telephony Market	12
3.2	Most Effective Sales and Marketing Tools	13
3.3	Use of External Consultants	14
4	ENTERPRISE TELEPHONY USAGE AND SPENDING	16
4.1	System Technology Type Usage/Penetration	16
4.2	Endpoint Type Penetration	17
4.3	Vendor Usage, Relationships, and Penetration	17
4.3.1	Small Business Market	17
4.3.2	Medium Enterprise Market	18
4.3.3	Mid-market	19
4.3.4	Large Enterprise Market	20
4.3.5	Australian Business Telephony Churn Intentions	21
5	VENDOR PREFERENCES AND PERCEPTIONS	23
5.1	Vendor/Solution Selection Criteria	23
5.2	End User Market Leadership Perceptions	25
5.3	Vendor Competency Perception	28
5.3.1	Alcatel-Lucent	28
5.3.2	Avaya	30
5.3.3	Cisco	32
5.3.4	Nortel	33
6	BUSINESS DRIVERS AND INHIBITORS IN ENTERPRISE COMMUNICATIONS	36
6.1	Enterprise Communications Spending Plans	36
6.2	End Users' Understanding and Knowledge of Unified Communications	38
6.2.1	Knowledge on Unified Communications	38
6.2.2	The Unified Communications Proposition	39
6.2.3	Conferencing Technology Usage	42
6.2.4	Microsoft in Unified Communications	44
6.3	Unified Communications Readiness and Implementation Plans	46

6.4	Green ICT	49
7	CONCLUSION AND RECOMMENDATIONS	51
7.1	Recommendations for Vendors/Service Providers	51
7.2	Recommendations for Business Decision Makers	51
8	RELATED RESEARCH	52
9	APPENDIX A – AUSTRALIAN BUSINESSES' PERCEPTION OF ENTERPRISE COMMUNICATIONS VENDORS	53

Figures

Figure	Page
Figure 1 — Australian IP Telephony Revenues versus Traditional Telephony Revenues 2007-2012 Forecast	12
Figure 2 — Australian Enterprise Telephony Market Share, 2007	13
Figure 3 – Events and marketing influences on purchasing decisions, 2008	14
Figure 4 – Source of External Advice on Enterprise Communications Deployment, 2008	15
Figure 5 –Current Telephony System Usage by Business Size, 2008	16
Figure 6 – Current PBX Endpoints by Business Size, 2008	17
Figure 7 – Current Vendor Used In The Small Business Market, 2008	18
Figure 8 – Current Vendor Used In The Medium Business Market, 2008	19
Figure 9 – Current Vendor Used In The Mid-Market, 2008	20
Figure 10 – Current Vendor Used In The Large Enterprise Market, 2008	21
Figure 11 – Intention to Continue with Current Telephony Vendor, 2008	22
Figure 12 – Most Influential Vendor Selection Attribute, 2008	23
Figure 13 – Most Influential Solution Selection Attribute, 2008	24
Figure 14 – Market Leadership Perception in UC, 2008	26
Figure 15 – Market Leadership Perception in Mobility Solution, 2008	26
Figure 16 – Market Leadership in IP Telephony	27
Figure 17 – Market Leadership Perception in Contact Centre Solution, 2008	28
Figure 18 – Australian Business Future Vendor Selection and Awareness, 2008	28
Figure 19 – Alcatel-Lucent Strength Analysis Diagram	29
Figure 20 – Avaya Strength Analysis Diagram	31
Figure 21 – Cisco Strength Analysis Diagram	32
Figure 22 – Nortel Strength Analysis Diagram	34
Figure 23 – Enterprise Communications Equipment Spend Intentions, 2008	37
Figure 24 – Enterprise Communications Service Spend Intentions, 2008	37

Figure 25 – Knowledge on Unified Communications, 2008	38
Figure 26 – Attitude towards Unified Communications by the General Workforce, 2008	39
Figure 27 – Understanding of Unified Communications, 2008	40
Figure 28 – Perception of Key Value Proposition of Unified Communications, 2008	41
Figure 29 – Key Business Impact of Unified Communications, 2008	41
Figure 30 – Future Usage of Conferencing Technologies, 2008	42
Figure 31 – Primary Reason for the Usage of Conferencing Technologies, 2008	43
Figure 32 – Perception of Microsoft in Unified Communications, 2008	45
Figure 33 – Knowledge on Microsoft OCS, 2008	45
Figure 34 – Timeframe for Unified Communications Deployment, 2008	47
Figure 35 – Reason for Not Deploying Unified Communications Now, 2008	47
Figure 36 – Infrastructure Readiness for Unified Communications, 2008	48
Figure 37 – Unified Communications Deployment Preference, 2008	48
Figure 38 – Importance of 'Greenness' in Vendor Selection, 2008	50
Figure 39 – Perception of Understand Industry Requirements, 2008	53
Figure 40 – Perception of Competitive Pricing, 2008	53
Figure 41 – Perception of Customer Service, 2008	54
Figure 42 – Perception of Being Green, 2008	54
Figure 43 – Perception of Ease of Use and Manageability, 2008	55
Figure 44 – Perception of Best TCO, 2008	55

Tables

Table	Page
Table 1 – Distribution of Telsyte's 2008 Survey Respondents by Business Size	7
Table 2 – Distribution of Telsyte's 2008 Survey Respondents by Vertical Industry	7
Table 3 – Distribution of Telsyte's 2008 Survey Respondents by Job Role	7
Table 4 – Distribution of Telsyte's 2008 Survey Respondents by Geographical Location	8
Table 5 – Top 3 Influence in Vendor Selection by Business Size, 2008	24
Table 6 – Top 3 Influence in Solution Selection by Business Size, 2008	25

Report Pricing

All reports are delivered in password protected Adobe PDF format. Reports are Print and Search enabled.

Reports will be licensed to the subscribing company.

The subscriber will not be permitted to disclose the report or its contents to any additional third parties, and must ensure that any person within the subscriber company's organisation who has access to the content of this report abides by the requirements of this Confidentiality undertaking.

Report Description	Report Cost	GST	Total
Australian Business Enterprise Communications Usage and Directions, 2008 End User Survey	\$2,995.00	\$299.50	\$3,294.50

How to order

Purchase PDF-based report online

On [Market Reports](#) page, browse to **Australian Business Enterprise Communications Usage and Directions, 2008 End User Survey** report and click on "Purchase Now"

Fax the form to Telsyte at (02) 8297-4633 (International: +61-2-8297-4633) or

Call (02) 8297-4650 (Please have you credit card details ready) or

Email your order to: info@telsyte.com.au (include all information on the order form below):

Mr Mrs Ms: _____
First Name _____
Surname: _____
Position: _____
Company: _____
Postal Address: _____

Postcode: _____
Phone: _____
Email Address: _____

Payment Options:

- Cheque - Enclosed is a cheque for \$_____ (Cheques payable to: Gibson Quai - AAS Pty Ltd [Telsyte is a business unit of GQ - AAS])
- Please invoice my company (I understand that the report will be sent after the invoice is paid in full)

Please charge the following credit card:

- Visa Bankcard Mastercard American Express

Card Number: _____

Expiry Date: _____

Signature: _____