Cisco and Microsoft Locked in Battle for Unified Communications Market

According to a new study by analyst firm Infonetics Research, Cisco and Microsoft are locked in a battle of the titans for the unified communications (UC) market, with both vendors currently favored by buyers as Unified Messaging and Communicator suppliers. Avaya and Nortel also fare well as current UC suppliers.

However, while there are early leaders in the market, the battle is far from over, the report shows.

&quotIt's no secret that Microsoft is predicting the death of the PBX, to be replaced by a software-based communication approach like OCS 2007; but we didn't find many people convinced that this is yet the way to go. What we're seeing instead is companies keeping their IP PBXs, and layering unified communications applications on top. Microsoft is seeing early success by leveraging their leadership in e-mail messaging and desktop environments. The incumbent IP telephony players are also faring well. There are still opportunities ahead for vendors looking to get into or ahead in the unified communications market, because many buyers don't yet know who they will be buying from two years from now,&quot said Matthias Machowinski, directing analyst for enterprise voice and data at Infonetics Research.

Infonetics' study, User Plans for Unified Communications: North America 2008, is based on interviews with 80 medium and large organizations based in North America to determine the market potential, product requirements, and implementation plans for unified communications products and services. More than 80% of those interviewed have already adopted either unified messaging or communicator, and all will adopt both by 2009, by study design.

The study features buyers' ratings of 5 UC vendors--Avaya, Cisco, IBM, Microsoft, and Nortel--on a number of criteria, including reliability, value, pricing, features, innovation, integration with third party vendors, and financial stability. According to respondents in the study, there are no clear ratings winners, with all manufacturers fairing well in some areas and not others. For example, Cisco rated high on reliability but low on pricing, and Microsoft rated high on financial stability but low on reliability.

Almost all vendors got docked for interoperability, indicating this area could use some serious improvements, and likely will be a major barrier to adoption of unified communications.

Other highlights from the study: &#149The number-one reason given by study respondents for adopting UC is improving employee productivity; &#149UC will start as a convergence of voice and e-mail, the most widely used communication services, involving a single in-box for different message types, contact

management, click-to-communicate capability, and presence; &#149Over time, companies will take on more complex projects; for example, by adding new communication modes like video and new devices like mobile, or by integrating communications with business processes; &#149VoIP is not a requirement for UC, but there is a strong correlation between the two; not having VoIP deployed pervasively is a barrier to deploying UC, and many respondents want to deploy VoIP first, then UC.

For detailed study methodology and demographics, please download the Prospectus and Report Highlights at http://www.infonetics.com/login (see Enterprise Voice area).

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