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T3i Group Report Confirms that Unified Communications Applications are Gaining Traction among Small Businesses

Cedar Knolls, NJ (January 7, 2011) - A recent T3i Group study involving decision-makers in small and medium sized businesses (SMBs) confirms two distinct behavior-based markets for IP Telephony and unified communications (UC) solutions. InfoTrack, a division of T3i Group, determined that SMB spending on UC applications was more predictable when dividing the small and medium size businesses into the following two segments:

- Business Value (BV) SMBs that firmly believe UC apps can solve their business problems and deliver value in terms of cost reduction, productivity or speed of decision-making.
- Basic Communications (BC) SMBs that simply want basic communications capabilities at an affordable price.

Since 2006, the research has consistently found that over 40% of SMBs fall in the BV segment, which had been increasing steadily until the recession. The latest InfoTrack research showed the business value segment once again gaining against basic communications. Even among small businesses with fewer than 100 employees, a growing number of firms perceive that UC applications such as unified messaging, conferencing and collaboration can improve business operations and generate a good return on their investment.

The recently published *InfoTrack for Unified Communications: 2010 SMB Market Analysis* reports that 60% of BV SMBs have started deploying IP Telephony systems, the foundation for many unified communications applications, compared to only 33% of BC SMBs. In the first half of 2011, 36% of the BV SMBs anticipate spending more on UC apps than during the first half of 2010, with a third of those spending significantly more. In contrast, three-fourths of BC SMBs will spend the same or less than the same period last year. The report breaks out anticipated spending by segment through 2012.

“This is a very different notion from the traditional view that only early adopters in the SMB market would be targets for technology-based applications, and necessitates rigorous market segmentation changes. The challenge for vendors is to reach customers with foundational solutions, demonstrate sound business value and grow their relationships,” noted Susan Hobart, manager of the *InfoTrack for Unified Communications (IUC)* research. She continued, “SMBs that achieved business value through UC applications improved their results more than they anticipated, and plan to deploy additional solutions over the next three years.”

The InfoTrack report describes methodologies to classify businesses as BV or BC, calculate the Business Value Index (BVI) and target groups that are more likely to achieve business value from UC apps. Segmenting the market by business value vs. basic communications can help vendors reach likely buyers as each segment differs in the sources on which they rely for information on unified communications. The research also noted differences in how each segment prioritizes IP Telephony and 18 specific UC applications. Case studies in several verticals demonstrate the BV approach to utilizing UC to solve business problems.

About the InfoTrack for Unified Communications (IUC) Program

The InfoTrack for Unified Communications (IUC) program conducts several comprehensive, primary research studies each year that analyze and forecast enterprise and small/medium business (SMB) demand for IP Telephony and Unified Communications applications. The program also reviews major market disruptions and evaluates their

likely impact. For more information about the IUC program or this report, please visit www.t3igroup.com or email sales@t3igroup.com.

About T3i Group

T3i Group provides market research, analysis and advisory services to the business communications industry. It has clients in every global region and operates three lines of business: *InfoTrack* monitors and analyzes demand and market share for global enterprise telephony, unified communications, messaging and contact center systems; InfoTrack for Unified Communications provides a demand based view of customer adoption of unified communications applications over time. *Tactics* provides detailed feature comparisons for over 1,000 telephony, collaboration and unified communications products in an easy-to-interpret side-by-side format; *Tarifica* is the global leader in telecom competitive pricing intelligence with a database covering hundreds of operators in every global region.

T3i Group, LLC. is headquartered in Cedar Knolls, NJ.