

Streaming & Webcasting Subscriber Survey Report

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Background

Wainhouse Research conducted a survey of 1,801 corporate executives in the fourth quarter of 2016 to gauge use, deployment, and perceptions of technology platforms and services used for corporate streaming video and webcasting. Survey respondents were recruited on a random basis from a managed survey sample pool. The only sample recruiting filter employed in the survey ensured equal representation of respondents from large organizations (2,500+ employees), mid-sized organizations (250 to 2,500 employees), and small organizations (fewer than 250 employees.) Analysis in this document focuses on results from two of the 70 questions posed in the survey: *“To the best of your knowledge, how much will your organization budget for streaming video technology solutions in 2017?”* and *“How will your organization's 2017 budget for streaming video technology compare to 2016?”*

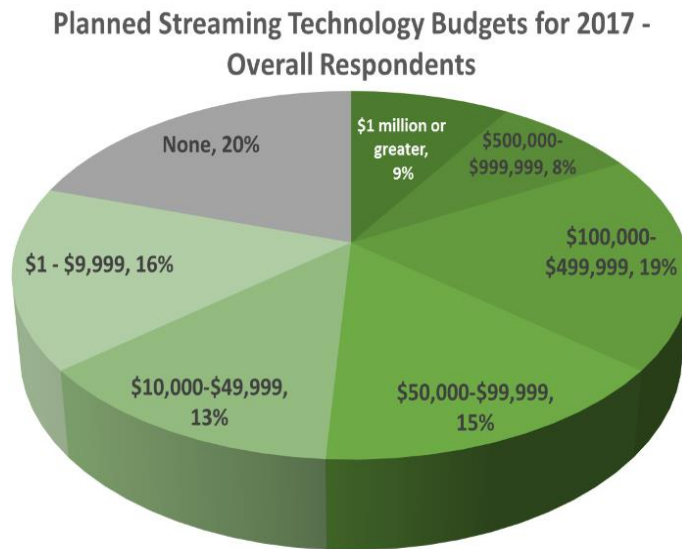
Key Findings

- Budgets for streaming technologies continue to expand. Nearly half (47%) of all organizations represented in the WR survey say their 2017 budgets for steaming will increase from 2016 levels, and 15% of all organizations report year-over-year spending increases of more than 25%.
- Spending growth comes primarily from groups already investing significantly in the technology. Those using live streaming more than 100 times a year, for instance, are more likely to boost streaming budgets on a year-over-year basis than are those using the technology less frequently. As a result, little change is seen in cumulative streaming spending patterns. In 2017, 36% of survey respondents report anticipated streaming budgets exceeding \$100,000, compared with 33% the prior year.
- Vertical industries with a track record for streaming investment remain the most likely to spend significantly on the technology. Firms in financial services, computer hardware/software and telecommunications all report substantial budgets for streaming and intentions to boost spending in the year ahead. Respondents from the transportation segment report stronger interest in increasing streaming spending than has been the case in prior WR surveys.
- In results suggesting that future market growth may depend primarily on adoption patterns in the corporate segment, respondents from enterprises report stronger intentions for boosting streaming spending than do respondents from the education and government segments.

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Results & Analysis – Overall Respondents

Figure 1: Planned Budget for Enterprise Streaming Technology Deployment - 2017 - Overall Respondents



➤ Eighty percent of organizations surveyed overall have allocated some budget for the deployment of enterprise streaming technologies in 2017. More than one-third of organizations (36%) anticipate spending at least \$100,000 for streaming technology deployment, but another 36% report plans for no spending or streaming budgets of less than \$10,000. Almost one-in-ten (9%) anticipate streaming spending to top the \$1 million mark in 2017.

Figure 2: Plans for 2017 Streaming Technology Spending vs. 2016 - Overall Respondents

- Nearly half of survey respondents (47%) report that their organization plans an increase in budget for streaming technology deployments over 2016 levels. Among overall survey respondents, 15% report planned 2017 increases exceeding 2016 budgets by more than 25%. Almost one-third of respondents (32%) quantify streaming budget increases as “up to” 25% more than the prior year. More than half (51%) report that streaming budgets will remain constant on a year-over-year basis.
- Compared to results from the 2015 survey, the proportion of respondents planning year-over-year increases in spending has increased. In the 2015 survey, 39% of respondents projected streaming budget increases for their 2016 streaming deployments (vs. the 47% projecting increases in 2017 – an 8% increase).

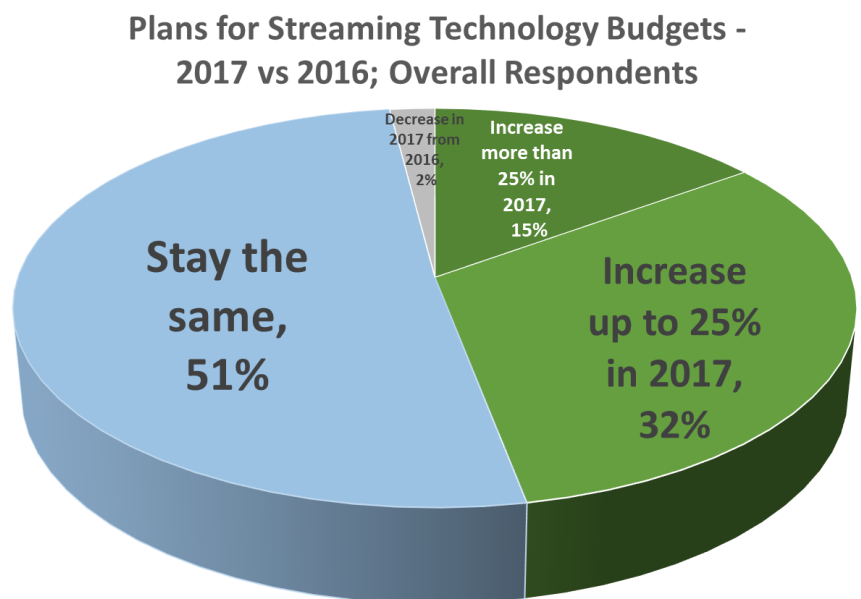


Figure 3: Anticipated Streaming Technology Budgets, 2017 vs. 2016

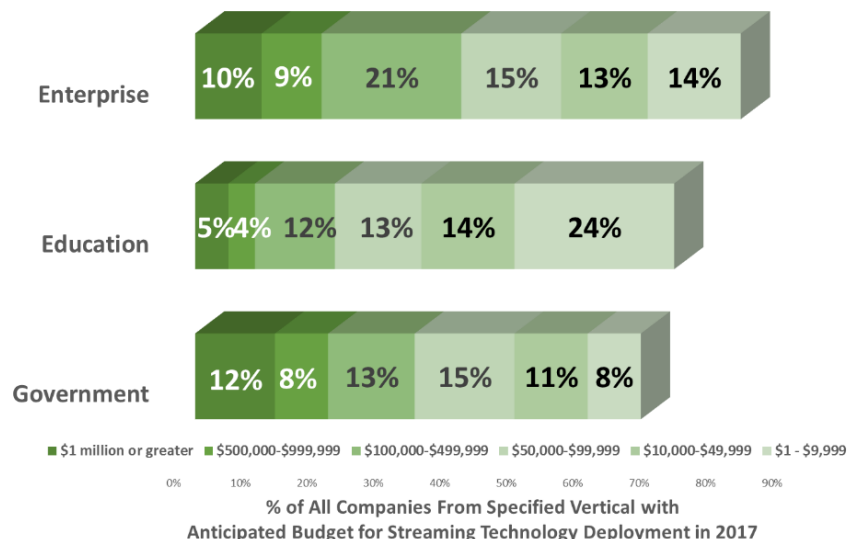


- Even as budgets for streaming continue to grow, only modest change is anticipated in the proportion of organizations represented in each budget size category. The percentage of organizations with budgets exceeding \$1 million will increase to 9% in 2017 compared with 6% in 2016. However, the proportion of those spending between \$100,000 and \$1 million on streaming technologies will remain steady on a year-over-year basis.
- Small budget proportions remaining static, as well. For 2017, 29% of organizations report expected spending of less than \$50,000 for the year compared with 30% in this category for 2016.

Segmentations by Industry Vertical

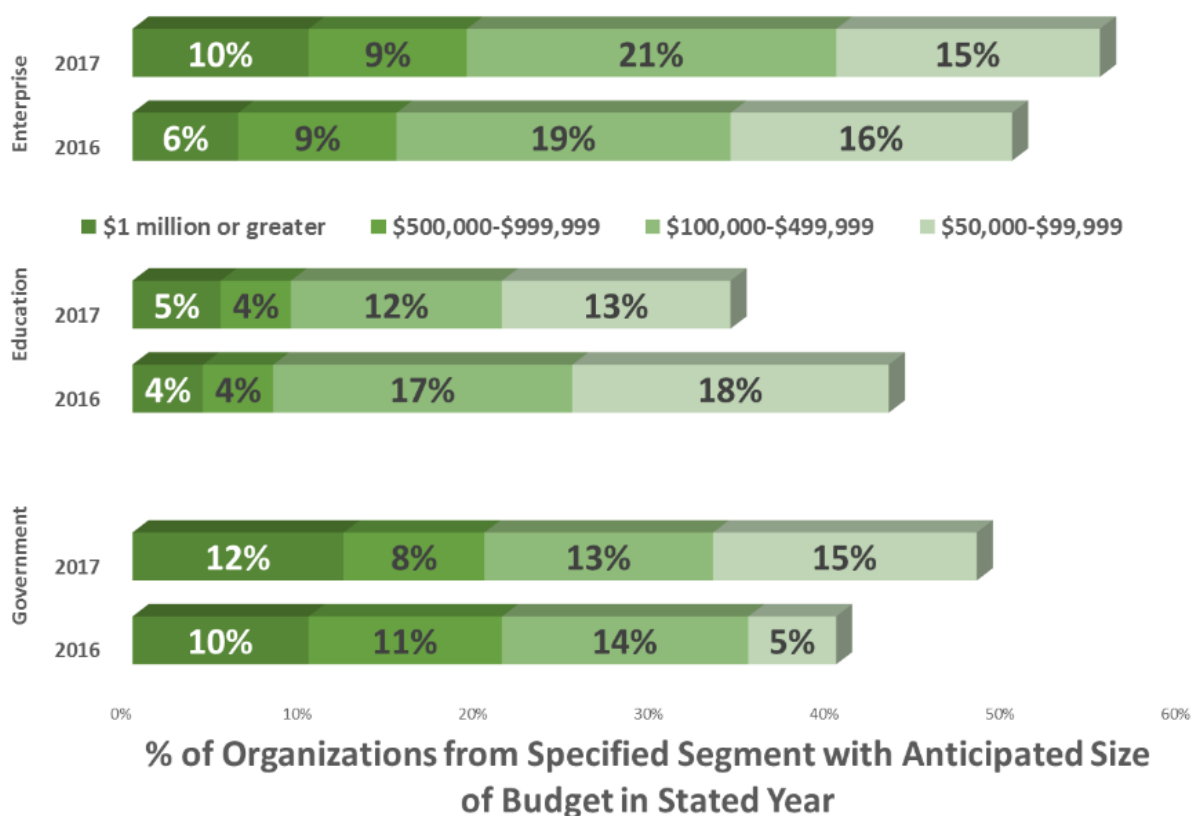
Figure 4: Planned Budget for Enterprise Streaming Technology Deployment – 2017 – Reported by Industry Segment

- The enterprise segment reports the greatest breadth and depth of streaming technology spending. Four out of 10 enterprises represented in the survey anticipate streaming budgets of at least \$100,000 in 2017. Overall, 83% of enterprises represented in the survey anticipate some level of spending on streaming technologies in 2017, topping both education (71%) and government (67%) in the proportion of respondents engaged in streaming technology spending.



- Government budgets for streaming still appear to be top loaded with 20% of government respondents reporting 2017 streaming budgets exceeding \$500,000. One-third of government respondents have streaming budgets in 2017 reaching six figures.
- The proportion of education segment respondents reporting large streaming budgets lags that seen from the enterprise and government verticals. Only 9% of education segment respondents cited streaming budgets of more than \$500,000 for 2017. That's less than half the percentage of enterprise and government organizations reporting large 2017 budgets for streaming. Nearly one-quarter of education segment respondents reported budgets of less than \$10,000 for the year – a result that suggests experimental adoption of streaming solutions and/or an emphasis on deploying lower-cost hosted solutions.

Figure 5: Planned Budget for Enterprise Streaming Technology Deployment – 2017 vs. 2016 – Reported by Industry Segment

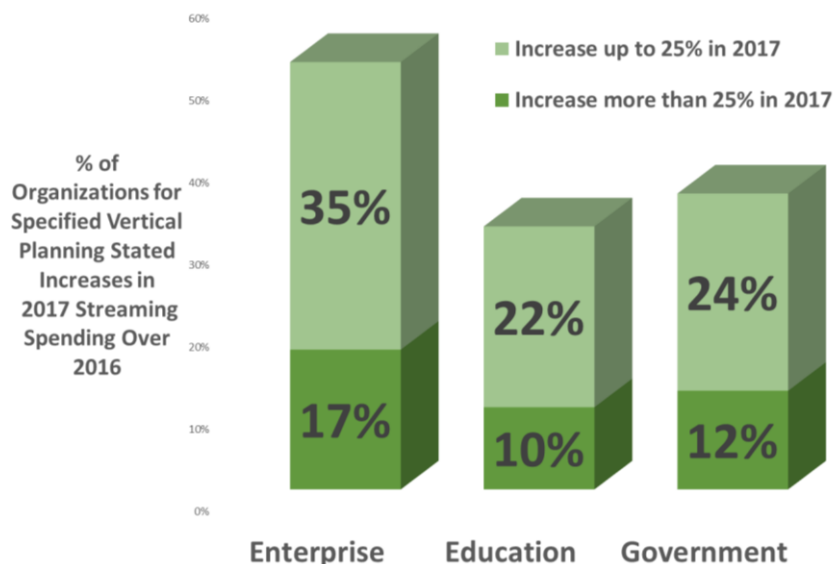


- More than half of enterprises (55%) anticipate 2017 streaming budgets of \$50,000 or more, up from 50% of enterprises reporting that level of streaming spending for 2016. Year-over-year gains are seen primarily in the proportion of enterprises spending \$1 million or more on the technology, registering in at 10% for 2017, up from 6% in 2016.
- The government segment similarly reported year-over-year gains in the proportion of respondents reporting anticipating 2017 streaming budgets of more than \$50,000. Forty-eight percent (48%) of government respondents project streaming budgets of at least \$50,000 for 2017, compared with the 40% citing that level of spending for 2016. The primary source of gains in the government segment comes from increases in respondents spending between \$50,000 and \$100,000 – a group growing to 15% of the government segment in 2017 from 5% in 2016.

- The education segment reports unfavorable comparisons for year-over-year streaming spending. Overall, 36% of education segment respondents report plans for spending \$50,000 or more on streaming technologies in 2017, down from 43% reporting that level of spending in 2016. The results may be due, in part, to a shift in demographics of education segment respondents represented in the survey. In the most recent survey reporting anticipated streaming budgets for 2017, 46% of survey education respondents worked in settings serving less than 1,000 students. In the survey fielded the prior year, 38% of respondents worked for institutions serving less than 1,000 students. WR has observed that smaller institutions have smaller budgets for streaming implementation. While WR believes that the composition of the survey group did contribute to a portion of the anticipated 2017 drop in education institutions with streaming budgets exceeding \$50,000, the survey results suggest that vendors need to keep a careful eye on spending patterns in the education segment through 2017. Other possible causes might be category confusion OR the impact of other capture technologies not perceived as streaming having an impact on the attitudes towards streaming (such as recorded web and video conferencing or online workspaces).

Figure 6: Plans for 2017 Streaming Technology Spending vs. 2016 –Reported by Industry Segment

- When asked to compare their organization's spending plans for 2017 with 2016 budgets, most enterprise respondents (52%) report that their organization will be increasing spending on streaming technologies in 2017. Of the enterprise group, 17% say that their spending on streaming will increase by more than 25% in 2017 over prior year levels and 35% expect increases up to 25%. In the comparable WR survey fielded a year ago, 42% of enterprise segment respondents had reported expectations for year-over-year increases in streaming technology spending.
- Among respondents from the government segment, 36% say they anticipate year-over-year increases in streaming budgets in 2017, with 12% of these respondents reporting plans for boosts in

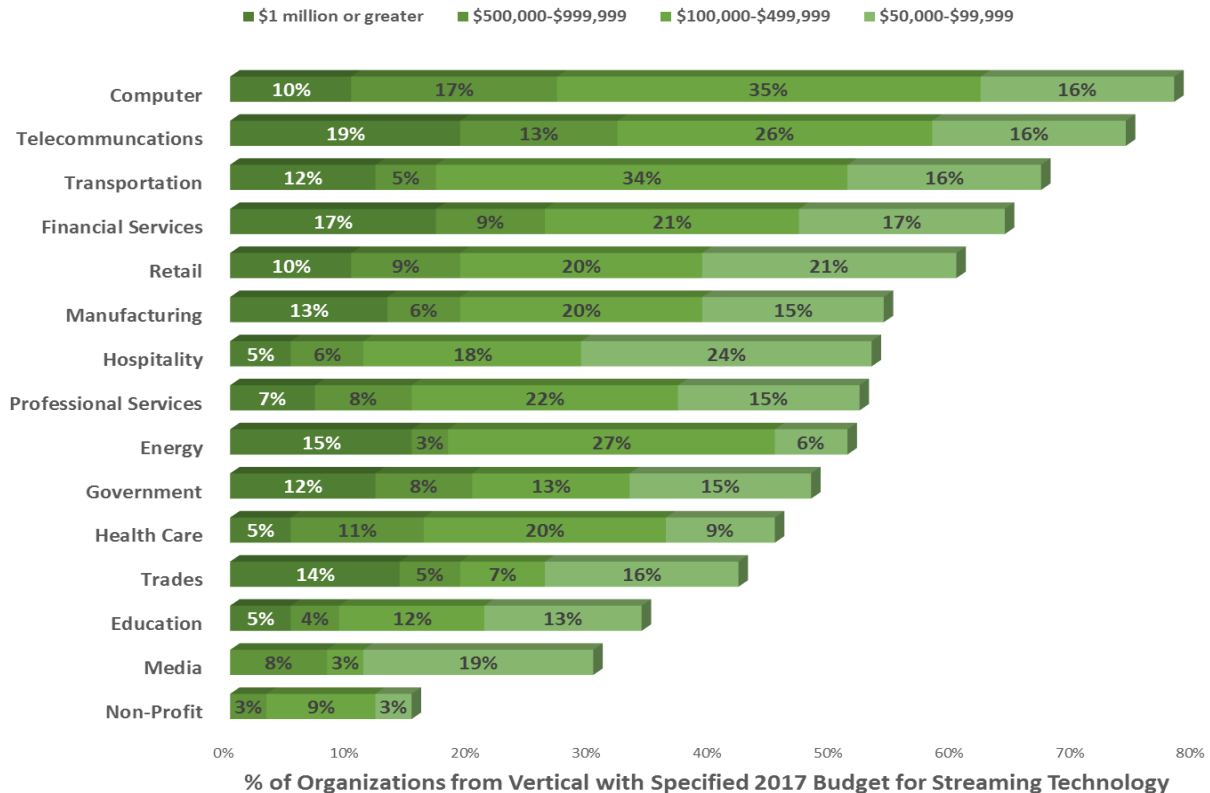


spending at least 25% above prior-year levels. The results mark a reversal in spending intentions reported by government segment respondents. In last year's survey, only 19% of government respondents had reported plans for boosting annual streaming budgets.

- While the education segment lags both the government and enterprise segments, spending momentum appears relatively consistent with prior years. For 2017, 32% of education

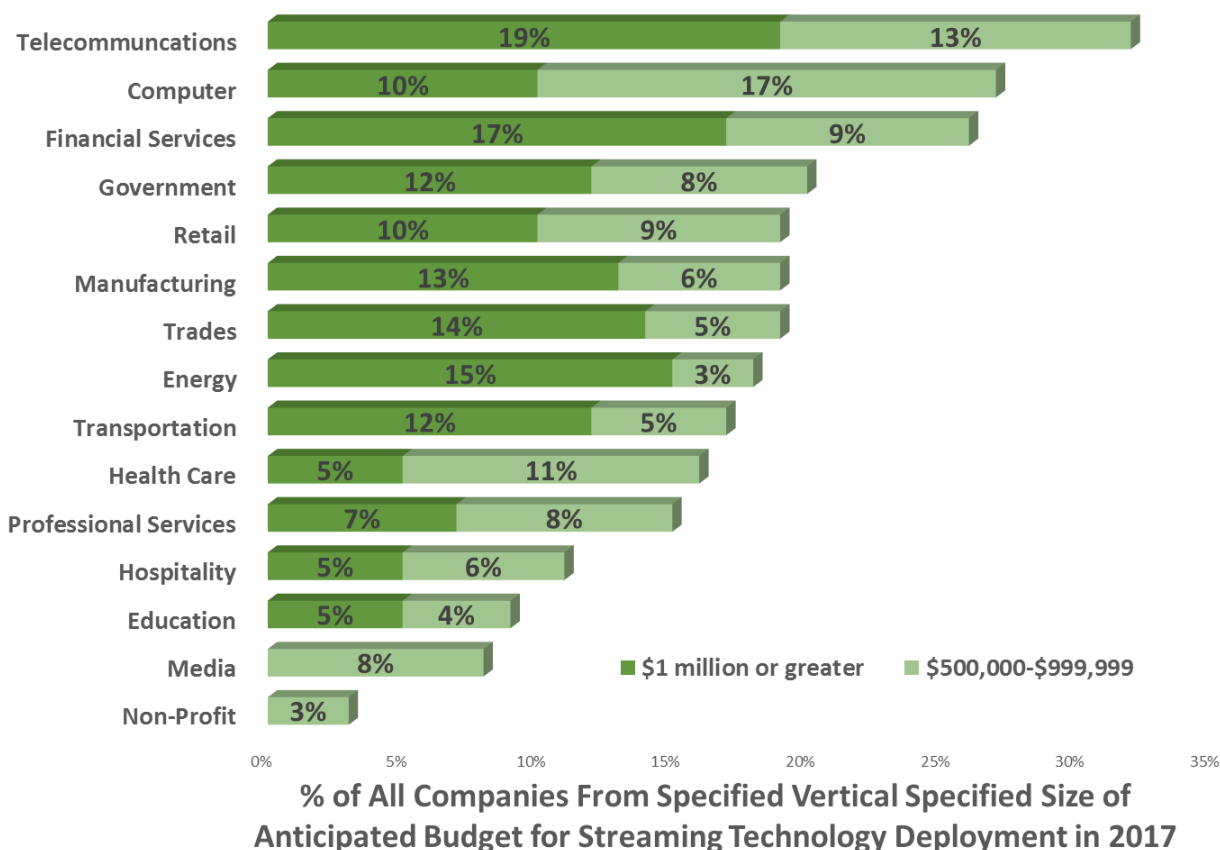
segment respondents report plans for year-over-year increases in streaming budgets with ~ one in 10 respondents (12%) citing plans for increases of at least 25% over prior-year levels. In the survey fielded a year ago, 36% of education segment respondents had projected increases in streaming spending on a year-over-year basis.

**Figure 7: Planned Budget for Enterprise Streaming Technology Deployment – 2017;
Segmented by Industry Vertical**



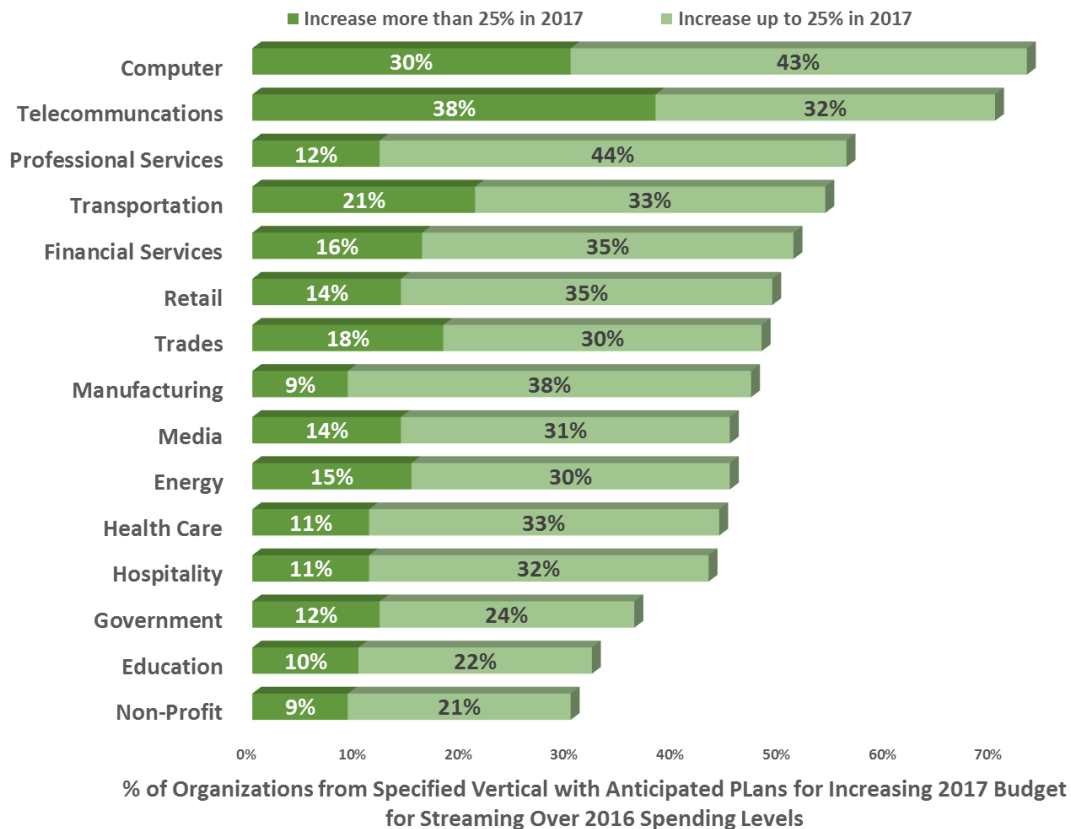
- Companies in the technology-related vertical demonstrate the greatest propensity to invest in streaming technologies, with 78% of companies involved in the computer hardware / software segment reporting plans to budget at least \$50,000 for streaming deployments in 2017. Likewise, telecommunications companies rank highly, with 74% of firms spending at least \$50,000 on streaming technologies in 2017.
- Non-profit organizations demonstrate the least interest in streaming technologies. Only 15% of respondents from the non-profit segment have budgeted for 2017 streaming spending, with none of the non-profits represented in the survey reporting streaming budgets exceeding \$1 million for the year.
- The transportation vertical appears to be gaining momentum in terms of streaming investment commitments. Among transportation company respondents, 67% report anticipated streaming budgets of \$50,000 or more for 2017. In last year's survey, 50% of respondents from the transportation segment reported plans for streaming spending exceeding \$50,000.
- The propensity of health care organizations to invest in streaming technologies also appears to be stalling. In 2017, 45% of health care organizations represented in the survey plan to invest \$50,000 or more in streaming technologies. The total percentage of health care organizations spending on streaming at that level was 48% in last year's survey.

**Figure 8: Planned Budget for Enterprise Streaming Technology Deployment – 2017;
Budgets of \$500,000 or More – Segmented by Industry Vertical**



- Technology-related companies and financial services firms remain the prime targets for streaming “megadeals.” Nearly one-third of telecommunications companies (32%) report plans to spend at least \$500,000 on streaming solutions in 2017 – and one out of five expect to spend more than \$1 million. Twenty-seven percent of computer hardware and software companies expect to spend at a similar rate – even though the proportion of computer firms committed to \$1 million on streaming in 2017 stands at a relatively low 10% of the segment. At financial services firms, 26% of respondents claim to have \$500,000 streaming budgets for 2017 with 17% of the survey group reporting spending plans exceeding \$1 million for the year.
- Almost one in five of certain vertical segments unexpectedly have 2017 budgets that exceed \$500,000. such as government (20%), manufacturing (19%), trades (19%) and energy (18%). The retail segment also has 19% of respondents citing budgets at this level, following up on strong streaming investment trends first demonstrated in survey results a year ago.
- The lagging vertical segments include media publishers and non-profit organizations. Neither has any survey participants reporting streaming spending expected to top \$1 million in 2017, and less than 10% of those from each segment report budgets exceeding \$500,000 for the year.

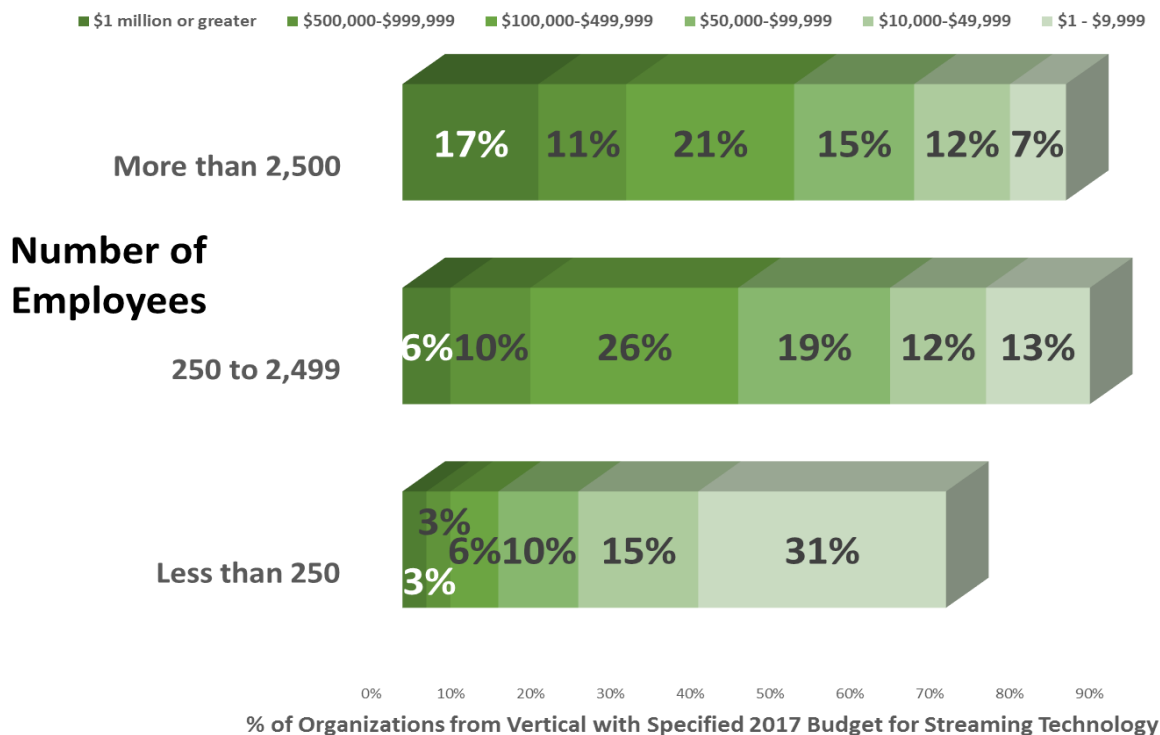
➤ **Figure 9: Plans for 2017 Streaming Technology Spending vs. 2016 – Segmented by Industry Vertical**



- Streaming spending is accelerating most rapidly in the technology-related verticals. In both computer software / hardware and telecommunications, 30% or more of respondents report plans for boosting streaming investments by more than 25% over 2016 levels. Overall, 73% of telecommunications organizations will be increasing year-over-year spending on streaming in 2017.
- The professional services vertical reports a surprising level of year-over-year growth, given the vertical's relatively low proportion of organizations with large budgets. The results suggest that mid-level professional services firms that are likely to have modest budgets for streaming implementation may be looking to grow more aggressive in their implementation of streaming solutions.
- The relatively high-level of year-over-year growth reported from transportation vertical respondents (54% citing plans for increased streaming budgets in 2017) further reaffirms the growing momentum in streaming spending from this vertical, as discussed earlier in this report.
- Comparatively low-levels of year-over-year spending increases were reported in the government (36%), education (32%) and non-profit (30%) segments. While these year-over-year growth totals are substantial, they nevertheless illustrate the stronger interest in streaming investments from enterprise organizations also demonstrated earlier in Figure 6.

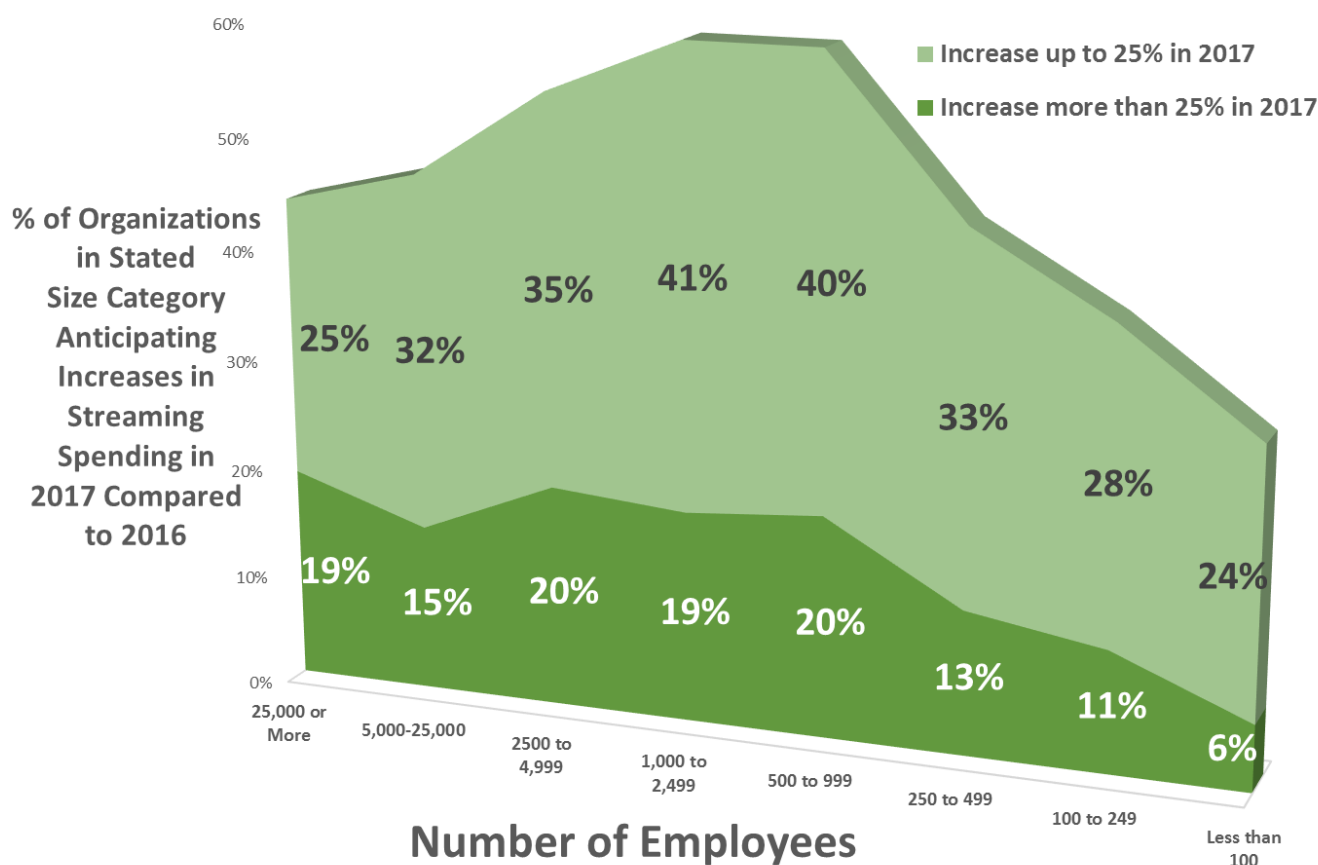
Segmentations by Company Size

Figure 10: Planned Budget for Enterprise Streaming Technology Deployment – 2017; Segmented by Number of Employees in Organization



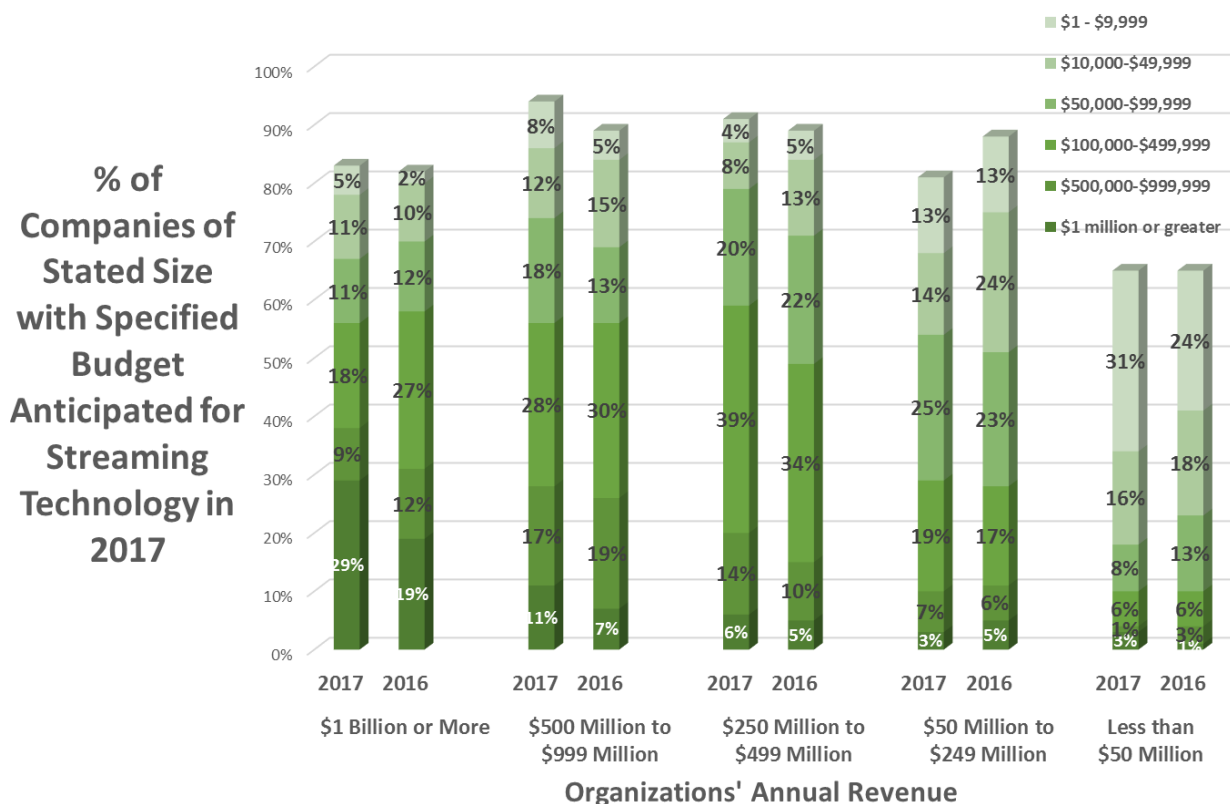
- Large companies remain the most lucrative target for vendors of streaming technology solutions designed for business applications. Among companies with more than 2,500 employees, 49% report plans for spending more than \$100,000 on streaming technologies in 2017. Substantial budgets also are taking root at mid-sized firms employing between 250 and 2,499 individuals. In this middle tier, 42% of companies say that they have 2017 budgets exceeding \$100,000 for streaming technology investments.
- While only a small proportion of mid-sized firms (6%) have anticipated 2017 budgets of \$1 million or more for streaming deployments, more than one-fourth of companies in this size category (26%) report plans for spending between \$100,000 and \$499,999 for the year on streaming.
- Smaller firms with fewer than 250 employees remain an unattractive target for streaming technology vendors. In this tier of smaller employers, only 16% report 2017 budgets of \$100,000 or more for streaming implementation. However, the small firms appear to be experimenting with the technology. Nearly one-third (31%) of companies with fewer than 250 employees represented in the survey say they will invest up to \$10,000 in streaming solutions in 2017.

**Figure 11: Plans for 2017 Streaming Technology Spending vs. 2016 –
Segmented by Number of Employees in Organization**



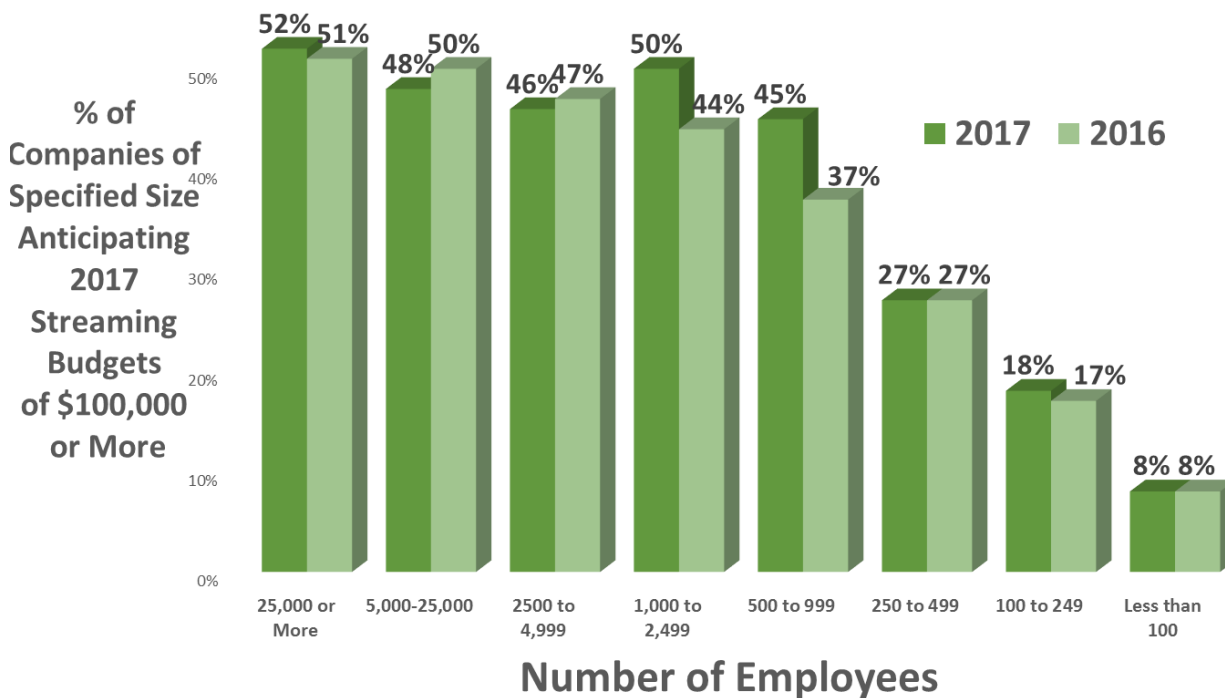
- Mid-sized companies employing between 500 and 2,499 employees appear to be the most interested in boosting spending on streaming technologies on a year-over-year basis. Among companies in this middle tier, 60% report plans to spend more on streaming in 2017 when compared with 2016. At organizations with between 500 and 999 workers, 20% of respondents plan spending increases of more than 25% on a year-over-year basis. At companies with 1,000 to 2,499 employees, 19% plan a spending increase of at least 25% over 2016 levels.
- Larger organizations with 2,500 or more employees also expect to show significant increases in year-over-year streaming spending. Forty-four percent of organizations with more than 25,000 employees report larger streaming budgets for 2017 over 2016, with 19% of companies reporting plans to increase year-over-year spending by at least 25%
- Despite relatively low spending totals reported in 2016, small organizations still are unlikely to post sizable year-over-year gains in their streaming budgets for 2017. At companies with less than 100 employees, for example, 30% say their budgets for streaming will grow in 2017 but only 6% of this group say that budgets will grow by more than 25% over 2016 levels.

Figure 12: Planned Budget for Enterprise Streaming Technology Deployment – 2017 vs. 2016 – Segmented by Organizations' Annual Revenue



- The proportion of large companies allocating \$1 million or more to streaming deployments in 2017 will increase significantly among companies with more than \$1 billion in annual revenue. Of these large organizations, 29% expect to spend \$1 million or more on streaming in 2017 compared with a total of 19% of this group with \$1 million+ streaming budgets in 2016. The gains in the \$1 million category appears to come from organizations spending between \$100,000 and \$999,999 on streaming in 2016. In 2016, 39% of organizations with more than \$1 billion in revenue report streaming budgets of more than \$100,000 but less than \$1 million. The proportion of organizations in this spending tier in 2017 stands at 27%
- At organizations with between \$250 million and \$499 million in revenues, year-over-year gains in spending appear likely to come in the companies spending between \$100,000 and \$999,999 on streaming implementations. While the proportion of this size category spending \$1 million on streaming stays almost static on a year-over-year basis, the proportion spending more than \$100,000 but less than a million grows to 53% of this cohort in 2017 compared with 44% the prior year.
- The total number of companies allocating at least some budget to streaming is staying static or growing slightly on a year-over-year basis in almost every size category. The size category of firms with between \$50 million and \$249 million in annual revenues is the only one to report a lower percentage of companies allocating budget in 2017 compared with 2016. The drop can be attributed primarily to a decline in the proportion of this group with streaming budgets of less than \$50,000. In 2017, 27% of organizations with between \$50 and \$249 million in annual revenue anticipated streaming budgets of less than \$50,000 compared with 37% in 2016.

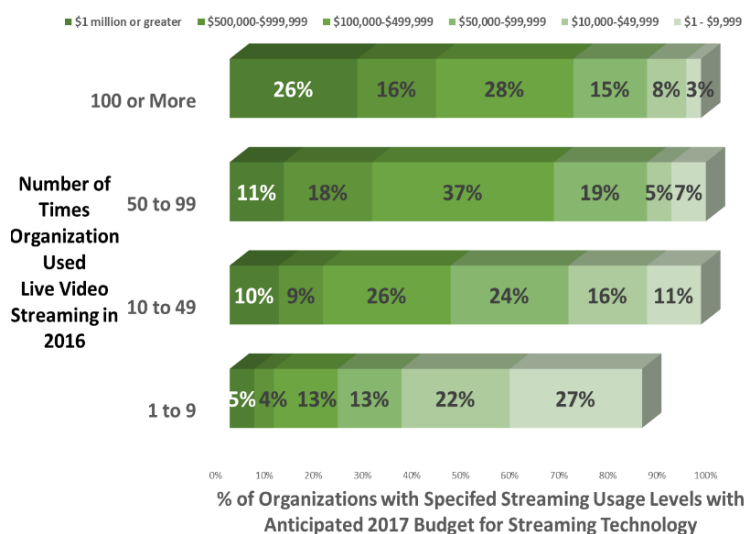
➤ **Figure 13: Planned Budget of \$100,000 or More for Enterprise Streaming Technology Deployment –2017 vs. 2016 – Segmented by Organizations' Employee Size**



- While some growth is seen in the allocation of “mega” annual budgets for streaming exceeding \$1 million, the overall proportion of survey respondents spending in the six figures on streaming technologies remains relatively consistent. Slight year-over-year gains in the proportions of organizations with between 500 and 2,499 were reported in the most recent survey. In all other size categories, the proportion of organizations budgeting \$100,000 for streaming in 2017 weighed in at within 2 percentage points of 2016 levels.

Correlations in Deployment Frequency and Streaming Spending

Figure 13: Planned Budgets for 2017 Enterprise Streaming Technology Deployment – Segmented by Frequency of Live Streaming Video Usage in 2016



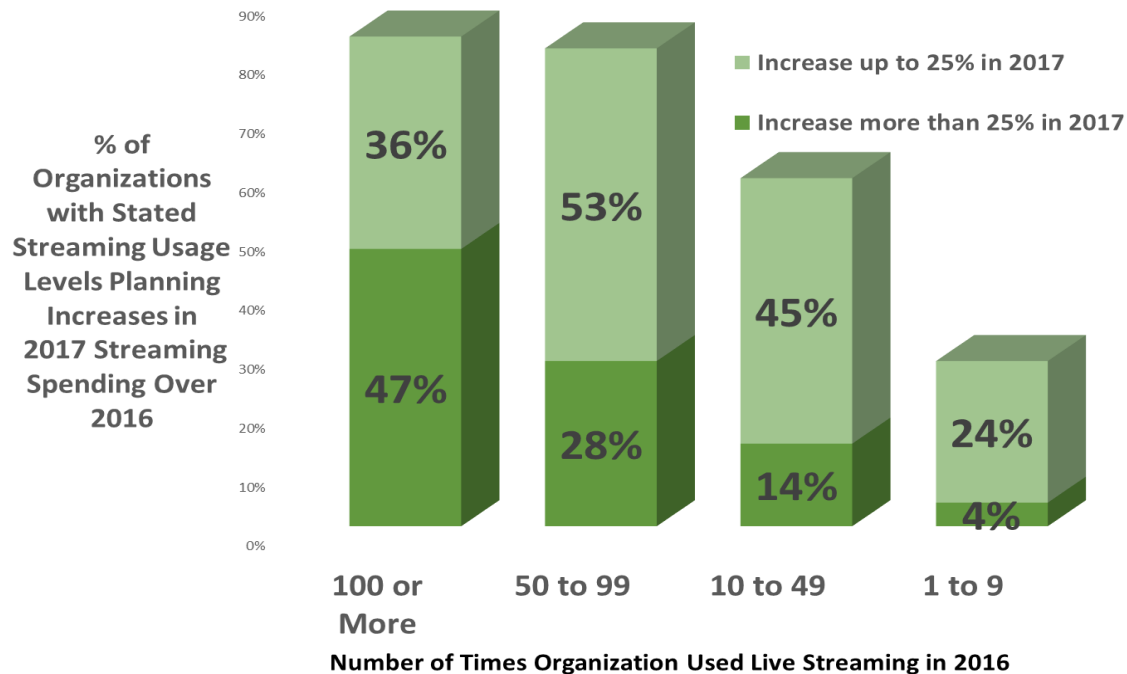
- As would be expected, those using streaming video most extensively are those most likely to report sizable budgets for streaming implementation. At organizations using live online video for 100 or more events annually, 26% report 2017 budgets for streaming that exceed \$1 million for the year. Overall, seven out of 10 of these active users report streaming budgets of \$100,000 or more for the year.

- Among those organizations deploying live streaming video between 50 and 99 times in 2016, 66% report streaming budgets of \$100,000 or more

for 2017. This group does not report the high proportion of organizations with \$1 million+ annual budgets that was seen from those deploying live streaming more than 100 times annually. Rather, for this group, the most common budget level is the \$100,000 to \$499,999 level – cited as the 2017 spending level by 37% of organizations that used live streaming between 50 and 99 times in 2016.

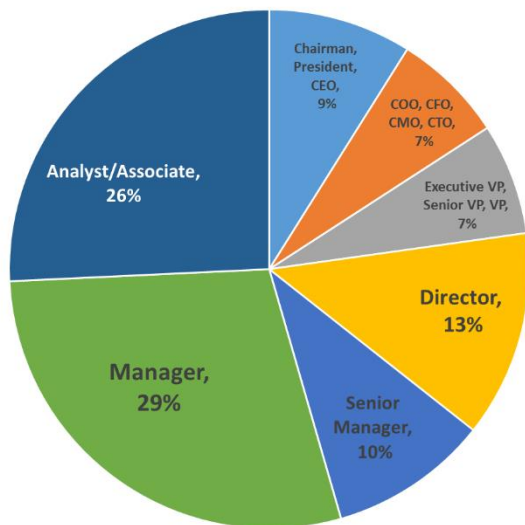
➤ Of those organizations using live streaming less than 10 times in 2016, 49% report plans for spending less than \$50,000 on streaming implementations in 2017.

➤ **Figure 14: Plans for 2017 Streaming Technology Spending vs. 2016 –Reported by Frequency of Live Streaming Usage**

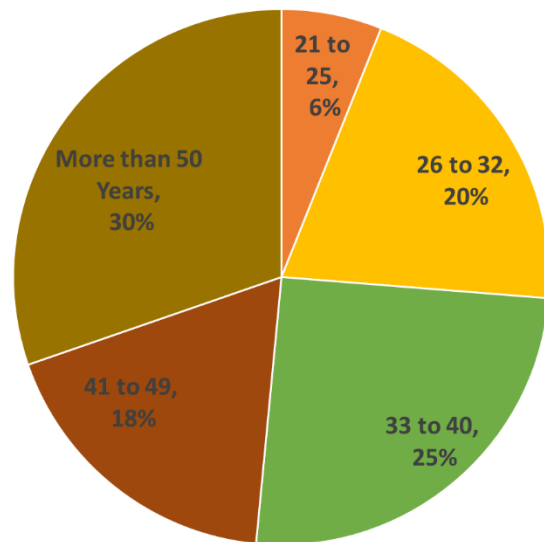


- Organizations that already use live streaming technology are far more likely than others to boost their investment in streaming capabilities on a year-over-year basis. More than eight out of 10 companies using live streaming more than 50 times in 2016 plan to boost their spending on streaming technologies in 2017. Nearly half (47%) of companies report that 2017 budgets will increase by more than 25% on a year-over-year basis. At organizations using live streaming between 50 and 99 times in 2016, 28% report plans to increase streaming budgets by at least 25% over 2016 spending levels.
- Only 28% of organizations using streaming less than 10 times per year report plans to boost 2017 budgets for implementing streaming capabilities. Only 4% of this low-frequency group plan increases of more than 25% on a year-over-year basis.

Appendix: Survey Demogrpahics



A1: Respondent Title



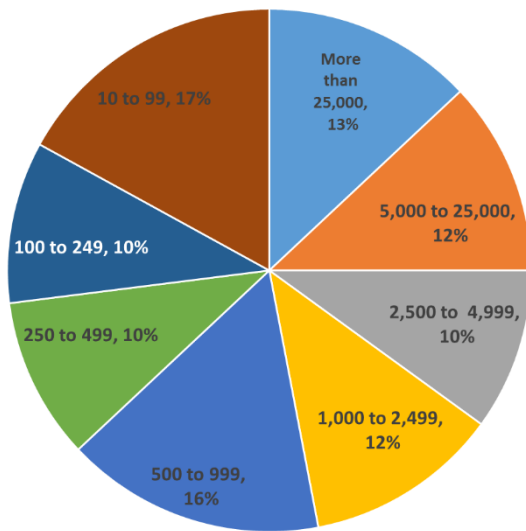
A2: Respondent Age



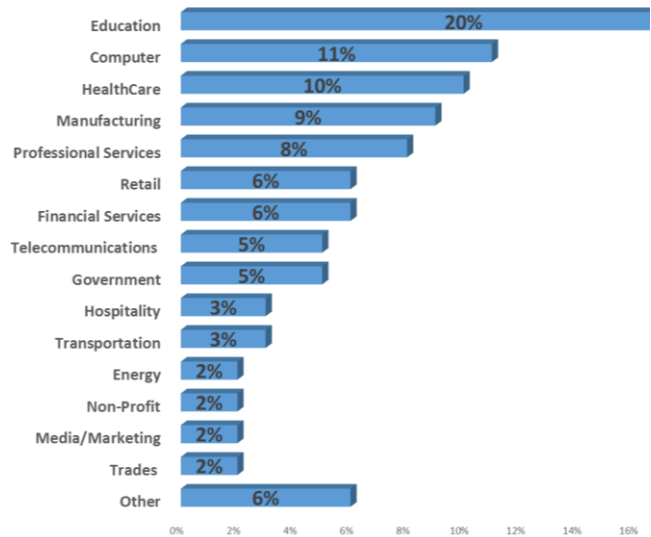
A3: Respondents' Functional Role



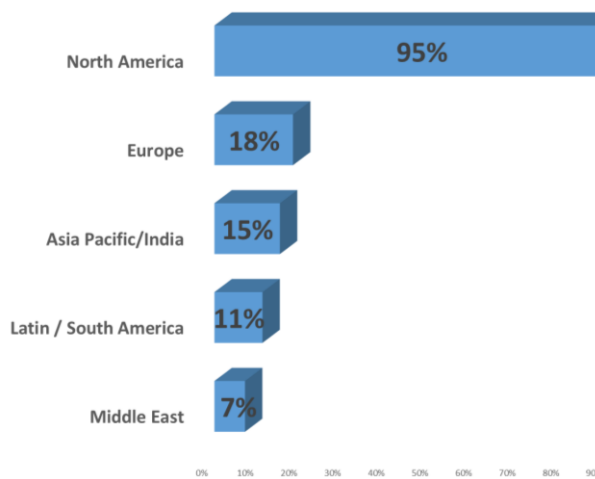
A4: Role in Purchase Decision



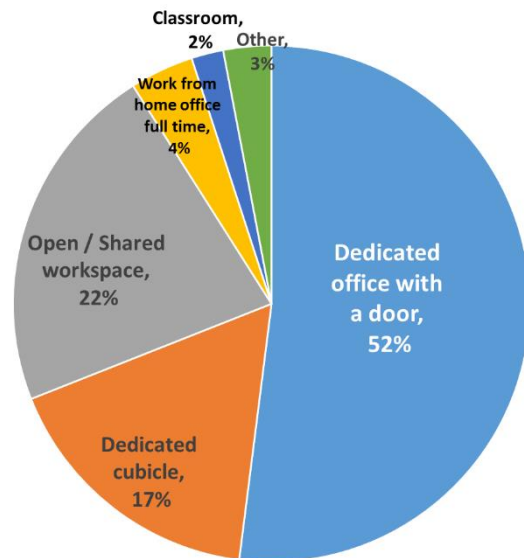
A5: Organization Size – Number of Employees



A6: Organization's Industry Vertical



A7: Organizations Operating in Specified Region



A8: Executives' Primary Work Space

About the Author: Steve Vonder Haar is a Senior Analyst with Wainhouse Research, focusing on enterprise streaming & webcasting. Steve has covered the technology industry for more than 20 years. He previously served as Research Director of Interactive Media Strategies and as Director of Media and Entertainment Strategies for the Yankee Group. He is a graduate of the University of Missouri Columbia with degrees in Journalism and Economics, and holds a Master's degree in Business Administration from the University of Texas-Arlington. He can be reached at svonder@wainhouse.com

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