

# Russian Video Conferencing Market Declined to \$86 Million during 2013

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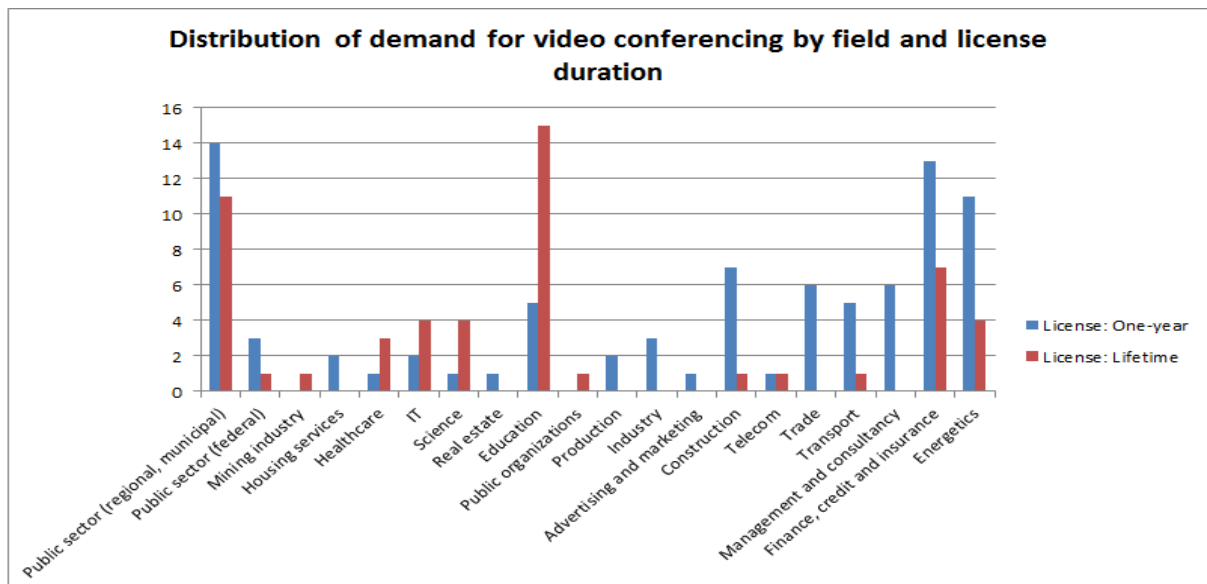
TrueConf announced the results of its annual videoconferencing market research in the Russian Federation, and also summed up their achievements for 2013. The results also showed that the majority of TrueConf license purchases during that year were made by companies from the financial, education, energy and public sectors.



According to TrueConf, the Russian market for video conferencing in 2013 declined to \$86 million\*: a reduction of more than 10% compared to 2012. The research indicates that this trend is also being observed in the global market, where the share of infrastructure equipment for video conferencing fell in the total revenue of leading vendors.

Experts said the decline in the Russian market should not be interpreted as a negative signal, because the number of users connected to the corporate video conferencing systems and meeting rooms continues to increase. Only the price of the projects themselves has changed, as cheaper solutions for video conferencing becomes more popular. Corporate video conferencing no longer requires expensive MCUs, which have been successfully replaced with software solutions that support scalable video coding (SVC). One of the factors supporting this theory is the 20% increase in TrueConf's sales in Russia during 2013 of licenses for video conferencing software compared to 2012.

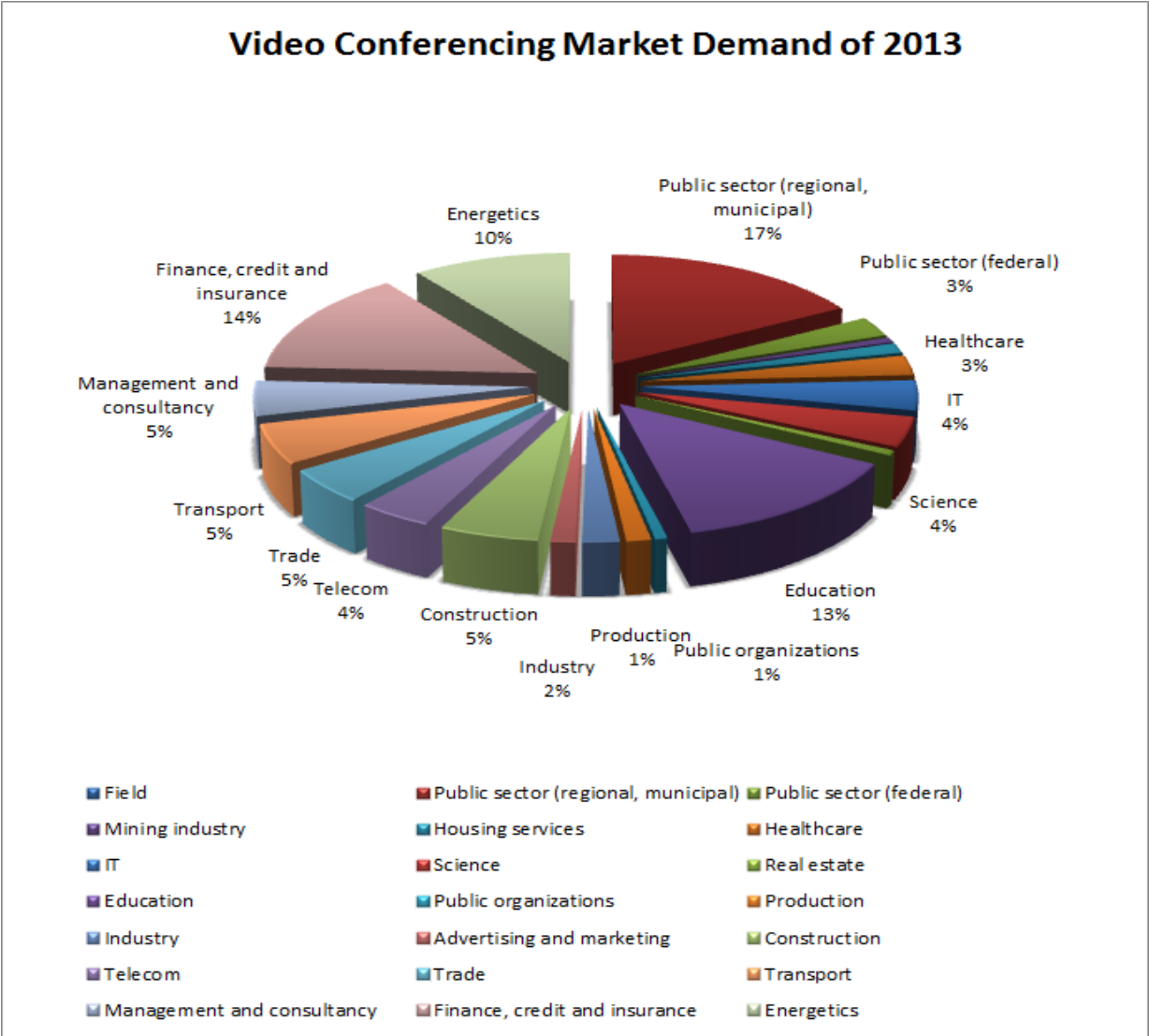
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Compared to 2012, in 2013 the average size of video conferencing deployment among TrueConf customers increased from 24.5 to 33.6 endpoints. More than half of customers prefer not to buy a license for unlimited use, but to purchase annual licenses, which defines users' unwillingness to invest in one video conferencing solution once and for all. The factors defining customers' decisions are dynamic changes in the market, the changing needs of customers and their willingness to try different solutions.

Last year as in 2012, less than 5% of TrueConf customers chose hosted solutions, and the vast majority of transactions concerned the provision of dedicated solutions to the property of the customer.

Significantly, 35% of users in 2012 who purchased a one-year license extension bought a lifetime license in 2013. Also, more than 50% of total sales were new TrueConf license purchases. This means that users trust and desire to use TrueConf as a long term video conferencing system.



In 2013, the major TrueConf customers were the public sector (regional and municipal) (17% of sales), the financial sector (finance, credit, insurance) (14%), education (13%), and energy companies (10%).

The share of video conferencing deployment in education on the basis of TrueConf statistics almost doubled compared to 2012 (from 7% to 13%), due to the increasing popularity of distance learning systems.

"Changes in demand for video conferencing in 2013 were predictable," says Michael Gotalsky, TrueConf CEO. "Last year the leading industries were IT companies and system integrators, who are experiencing hard times this year. Now the public sector, finance and education, which are experiencing a high demand for quality and safety of video communication for a large number of users, have become the leaders in sales volumes. TrueConf Server meets all their requirements and therefore we are seeing an increase in demand."

Over the past year, TrueConf has released 15 new versions for five different products and are the most dynamic company in the field of corporate communications and video conferencing in Eastern Europe. TrueConf also became the first company to implement WebRTC technology in their solutions for corporate customers. They now fully support the BYOD (Bring Your Own Device) concept and were the first Russian vendor to support 4K (UltraHD) video conferencing.

\* In assessing the volume of IT market of the Russian Federation, the company relied on data provided by Wainhouse Research, IDC and Forrester Research analyst agencies. The market share on video conferencing market was identified on the basis of their own data, as well as on the information received from partners, distributors and system integrators in the field of video conferencing in the Russian Federation.



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**About TrueConf [www.trueconf.com](http://www.trueconf.com)** Founded in 2003 in Moscow, TrueConf is one of East Europe's leading video conferencing vendors. The company is focused on collaboration solutions and offers an SVC-based MCU-less unified communication software platform. TrueConf has developed a full software suite suitable for corporate IP networks and all popular PC and mobile platforms, offering the convenience of both cloud-based (TrueConf Online) and server-based (TrueConf Server) video conferencing products. TrueConf Server offers a Full HD video experience and the ability to support multi-point video conferences with up to 250 participants (using UDP Multicast).

TrueConf has facilitated over 2000 successful video conferencing solutions for governments, educational institutions, financial establishments, small businesses and corporations involved in all types of activities. The company developed the world's first 3D video conferencing application and has made significant advances in mobile conferencing and gesture-control video conferencing systems.