

2007 ICT Europe Conferencing & Collaboration

Konftel - Product Differentiation Innovation

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Award Description

The Frost & Sullivan Award for Product Differentiation Innovation is presented each year to the company that has best demonstrated the ability to develop and/or advance products with more innovative capabilities than competing vendors and products. This Award recognizes the company's successful adoption of new or existing technology that has become a part of its well-designed product family. Such innovation is expected to significantly contribute to the industry in terms of product performance and degree/rate of technical change.

Research Methodology

Before considering the recipient of this Award, the analyst team tracks competing market participants' product differentiation strategies through ongoing research. This research consists of market participant interviews, end-user surveys, and extensive secondary research. The data compiled through this research is analyzed based upon specific measurement criteria for this Award. Participants are then ranked with respect to the measurement criteria. The Award recipient is ranked number one in the industry.

Measurement Criteria

In addition to the methodology described above, there are specific criteria used in determining the final ranking of industry competitors. The recipient of this Award has excelled based on one or more of the following criteria:

- Degree of differentiation innovation compared to other market participants
- Positive impact on sales directly related to product differentiation
- Time to market improvement based upon product differentiation strategy
- Benefit to end-users due to product differentiation
- Effect of product differentiation on ease of adaptability for new end-user applications
- Effect of product differentiation on market maturation

Market Overview and Key Challenges

For as long as the telephone has existed people have had the requirement of making a call without actually holding the telephone handset. A handsfree telephone - such as a speakerphone or audio conferencing tabletop - allows a group of people sharing a location to take part in a call, or a single user to continue to work with his or her hands - such as at a keyboard or, more recently, while driving a car.

Handsfree telephony requires sound to be amplified and output to a loudspeaker. An unwanted by-product of this process being that this amplified sound can directly drive the open microphone of the device. The earliest handsfree telephones overcame the resulting acoustic feedback - or 'howl-around' - by providing just sufficient physical separation between the loudspeaker and microphone. Later, voice switching technology preventing the problem by forcing the telephone line to act as a one-way street, with only one talker being heard at a time, but creating the irritating clipping of speech that naturally results of any attempt to interrupt or speak simultaneously. Most recently, digital acoustic echo cancellation processing technology within the terminal device has produced good, workable two-way (full duplex) audio - and without the annoying feedback of the earlier products.

The inexorable rise of the Internet and voice services utilizing VoIP, (Voice over Internet Protocol), has created a rapid growth in the demand for handsfree two-way voice communications products; both from the existing business communities, but more recently from consumers using the broadband Internet to access peer communications, social networking and online gaming services.

2006 is being seen as a pivotal year in the development of VoIP services and products for consumer and business communications. Geopolitical and environmental issues have increasingly coming to the fore, the rise broadband penetration, and introduction of new web-based consumer service technologies have each helped fuel this demand for handsfree endpoint devices for both tradition telephone and the newer VoIP networks.

VoIP services like Skype and Vonage have threatened the long-established commercial models of the public switched telephone network (PSTN) by offering reliable voice calls at low or no cost. Skype, with a claimed 100 million installations is - almost by itself - creating a surge in demand for PC-based, handsfree voice communications product suited to the needs of both consumer and business users.

This market is attracting both new and well-established manufacturers of PC-peripherals, eager to claim a stake in this growing opportunity for high value, multimedia communications products. The existing makers of audio conferencing tabletop products have not been sitting idly by, but rather are they too are expanding their portfolios to offers products of greater quality, functionality and connectivity.

Award Categories and Relevance

The award categories used in preparing the nominations for companies excelling in this industry have been selected on the basis of their relevance to the audio conferencing tabletop and handsfree digital audio communications product markets.

The rapid expansion of online business and consumer services with, in particular, a proliferation of VoIP-based communication offerings has expanded the options and opportunities for Internet interaction. In the business segment, traditionally dominated by the audio conferencing tabletop product, customers are demanding a better return on their investment with expectations for increases in the situations in which a product may be used, the features it offers, and the quality of the audio communication it delivers. In contrast, the developing consumer requirement is focused on price and ease of set-up and use, with a primary interest on product that can be used with a standard personal computer to access online VoIP services.

Manufacturers have responded to the new challenges and opportunities by broadening their existing audio conferencing range, extending the capabilities of new products to increase flexibility, mobility, and feature sets, and developing and launching new, lower cost products specifically targeting the new VoIP services business and consumer markets.

Award Recipient

Background

Konftel is a leading manufacturer of loudspeaker communication and audio technology. The company develops and markets a range of audio conferencing products and technologies based on its expertise in the fields of acoustics and digital signal processing.

The Konftel OmniSound technology is designed to remove the clipping of speech and echoes that people generally experience when using a loudspeaking telephone. The company has standardised its product design around a common arrangement that utilizes a single, ultra-sensitive centrally-located microphone that provides omnidirectional speech pick-up, and three loudspeakers which, together, allows a number of people to comfortably participate in an audio conference call.

Based in Sweden and founded in 1988, the company distributes the Konftel product portfolio throughout the world, with Europe as its single largest market.

Innovation and Differentiation

While Konftel offers a range of products designed to meet the varying and specific needs of both small and large groups of people, this award recognizes the company's achievements for product differentiation innovation with the Konftel 50.



Figure 1: The highly versatile Konftel 50 (2007)

In this one product, Konftel answers the customer's need for a single, highly flexible solution that maximizes the return on investment. The model incorporates a range of connectivity options that make the Konftel 50 an ideal communications workhorse for small or mobile teams. With the Model 50 - and unlike most audio conferencing tabletop products for other manufacturers - the Konftel chose not to implement a standard PSTN interface but have, rather, opted for a multipurpose analogue and digital interfaces that supports connection to a wide range of devices.

This range of connectivity options allows the Konftel 50 to be used with any digital and system phone (key application), with a GSM mobile or DECT phone, and via a personal or laptop computer for use with online VoIP services, such as Skype. Additionally, Konftel offers a comprehensive range of cables that allow the Konftel 50 to be connected with the handsets of most cellular and cordless phones.

In product design, Konftel has cleverly focused on maximising the quality of the audio presented to the listeners - both local and remote - while leaving the dialling function to the telephone, personal computer, or mobile phone to which it is attached.