Is a video teleconferencing bubble emerging? FierceTelecom, September 8, 2009.

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Columns · 2009
Original: http://www.fiercetelecom.com/story/noll-video-teleconferencing-bubble-emerging/2009-09-07
Archived copy, Internet Archive snapshot 2009-09-12

By A. Michael Noll

Cisco calls their video teleconferencing system "TelePresence," and it has the full backing of Cisco's chairman and CEO John Chambers, according to an article in the Aug. 29 issue of The Economist.

But there is no real innovation here-video teleconferencing is decades old-and for decades predictions have been made about its huge market potential.

In the mid 1970s, AT&T developed its video teleconferencing service, called Picturephone Meeting Service. It was available in a number of cities in the US and allowed one group of people to tele-meet with another group. Full-motion video and high-quality audio, coupled with interactive graphics, were offered. Yet, at even promotional rates, the service was a market failure. It was not well used even by AT&T's own employees.

After extensive market research, we discovered that the problem was not related to technology-or the brand of coffee available in the meeting rooms. The participants had to have the right kind of meetings-in effect, a target market for teleconferencing. We found that teleconferencing was "best suited to regularly occurring meetings intended mostly for information exchange and similar low-risk purposes" [Information Management Review, 1986, 2(2), 65-73]. We learned that public room teleconferencing was not successful and that the facilities had to be on one's own premises.

We also realized that high-quality audio was far more important than video. Stereophonic high-quality audio coupled with interactive graphics would be the most cost effective form of teleconferencing.

But the advocates of video technology ignore these findings. Years ago, Bellcore developed a very impressive large-screen video teleconferencing system-but hardly sold any. Even earlier, in the 1970s, Bell Labs suggested a stereoscopic, stereophonic, user controllable communication system that would approximate teleportation through communications [IEEE Trans. Systems, Man, Cybernetics, Nov. 1976, 753-756]. This system would have been closer to tele-presence than Cisco's attempt. Research at Bell Labs in the early 1970 would have even added a tactile dimension to the experience. The issue is not and has never been technology.

One superficial belief is that people travel to a meeting to "see" the other participants and that this can be accomplished with a video link. But "see" has broader meanings, such as experiencing

physical presence: a handshake or a pat on the back. Video is costly, adds a complex dimension, and actually adds little to the value of a meeting. In fact, research conducted decades ago showed that deception could be identified more accurately if there were only audio.

There is also the issue of the "we-they" syndrome in which those physically present bond together versus those on the other side of the screens. However if the head honcho uses teleconferencing, the underlings usually follow suit. But once the chief is deposed, usage usually stops.

Despite the proven limitations and spotty past usage, the technology continues to be pushed for its own sake. Are we on the way to a teleconferencing bubble?

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