



The Safe and Secure
Online Meeting Forum
for Family, Friends, and Business

Industry Overview

WHERE IS THE VIDEO COMMUNICATIONS INDUSTRY HEADED?

An online examination of the video communications business today confirms that **myforum2** is in the ground swell of an Internet communications tsunami. In keeping with its history, the changes in voice and video communication via the Internet are hitting us with lightening speed. In a few years or less, it will be commonplace to see people “videotalking” on their computers, laptops and wireless handheld devices.

VIDEO PHONES

AT&T fell on its face in 1964 when they introduced the Picturephone. *“In the end, fewer than 500 people signed up for Picturephone service by the time the plug was pulled in 1974. The next quarter century brought a stream of similar non-starters, including one by Panasonic and another try by AT&T, the 1992 Videophone”.* - (CNN.com/Technology, September 5, 2000)

Today, Motorola, Vialta, Packet 8 and PicturePhoning are working to carve out a niche in the Video Phone market. Amazon.com currently offers the Motorola Ojo Personal Video Phone, Packet 8's 8x8 VoIP Service Video Phone and the Vialta Beamer Phone Video Station. Costs range from \$239 to \$498.99 just for the hardware. Transmission service charges not included.

In its article, CNN.com summed up the issues that faced the industry in 2000 for video phones pretty well:

“But even as all the pieces come together, video calling faces one challenge that may prove insurmountable: The telephone has lacked a visual component for so long that it has evolved as a unique form of communication with its own distinct nuances.”

“Most people drift both mentally and physically as they gab on the phone. Whether it's pacing, doodling, rest or work, it can't be very easy to multitask while staring at a camera. In fact, people may even relish the visual solitude of a phone call.”

"It's still not entirely clear that people want to be seen when on the telephone," said Hochheiser at AT&T. "This was not a question that was really studied before the introduction, and it's not a question as far as I know that has ever been answered."

As we shall see in the following pages, Mr. Hochheiser's question has, indeed, been answered - both loudly and clearly - in this new era of video communications.

VoIP

Several years back, companies around the world began forming alliances to combine their technologies and strengths in attempts to become dominant players in Voice-Over-Internet-Protocol (VoIP) technology. VoIP exploded onto the market with Vonage, AT&T's CallVantage and Skype. The main target, of course, was the long distance telephone customer.

VoIP converts an analog telephone signal into a digital signal, then transmits it via a computer and the Internet to a computer or telephone somewhere in the world. If the transmission accesses a telephone company gateway switch, there is a charge. If it travels computer to computer, there is no charge (except ISP charges). Most of the Telcos are now using VoIP to transmit calls themselves because the technology reduces the broadband consumption in their systems, while reducing the cost of the call.

According to How Stuff Works.com,

"More and more businesses are installing VoIP systems, and the technology will continue to grow in popularity as it makes its way into our homes. The Forester Research Group predicts that nearly 5 million U.S. households will have VoIP phone service by the end of 2006. Perhaps the biggest draws to VoIP for the home users that are making the switch are price and flexibility."

All of these systems require software to be installed or downloaded into the user's computer. Most have experienced transmission and voice quality problems along the way, but the consumers continue to demonstrate that they will accept some usage problems for cheaper and, hopefully, more convenient technology.

Some of the VoIP systems have begun to offer video communication along with the audio. Again, it requires software installation, and the visual quality is only acceptable... compared to not having it on the "call" at all. There is no doubt, however, that VoIP technology is instilling new life into the Video-Telephone.

In July of 2005, Niklas Zennstrom, co-Founder and CEO of Skype, the Internet telephone operator, announced publicly that his company was embracing video phone service. At that time, Skype had tens of millions of users, according to C/Net News.com. C/Net also reported at the time that speculators believed Yahoo! was attempting to acquire Skype for \$6 to \$10 billion dollars. Skype, in the interim, has introduced a low-quality video phoning service with limited conferencing capability.

INSTANT MESSAGING

The huge growth in online communication, of course, has been with the “Instant Messenger” or IM services: AOL, MSN, YAHOO! and GOOGLE. There are a myriad of smaller instant messenger companies attempting to establish themselves – some appear to be succeeding, some do not. The “Big Dogs” definitely dominate the industry with tens of millions of users each.

All of the major IM players offer “free” voice and video chat, as well as typed messaging, photo sharing and linked access to their search engines. All require software downloads to be installed in the user’s computer, and customers have to purchase their own camera and headset or microphone hardware. All of their customers are subject to ad pop-ups, undisclosed cookie downloads, Trojan Horses, viruses, hackers and a variety of online predators.

All the companies appear to be seriously working to improve the online safety of the user, utilizing various technologies led by the use of Buddy Lists. Buddy Lists are supposed to allow the user to compose a list of contacts with whom they want to communicate, while blocking anyone else from being able to contact them directly on the system. It is difficult to determine how well it really works, but the fact that the messenger services have felt the need to devise such techniques to block unwanted traffic says they have a serious problem, as chronicled by Softpedia.com:

“The main chat systems were targeted by a series of a worm attacks that used important contemporary events, especially Star Wars’s launching, to spread, warns security companies.”

“Using the publicity associated with Star Wars: Episode III, Revenge of the Sith, the hackers launched phishing attacks against Yahoo Messenger users, announces IMLogic, a security company specialized in the protection of instant messaging networks.”

“The attack is a “success” because the message containing the phishing elements looks like it was sent by one of the contacts from the Buddy List. The text contains a web address which makes reference to StarGames. Once this page is accessed and the user types in the Yahoo login

information for the alleged game access, a trojan will be automatically downloaded and it will send the same messages to all the friends from the victim's list. Immediately after, all the identification data for Yahoo recorded by the trojan are sent to the hacker that devised the system."

- 26th of May 2005, | Copyright (c) 2005 Softpedia

ONLINE AUDIO/VIDEO COMMUNICATION MARKET

Microsoft and MSN are also aggressively targeting the online audio/video communication market. In a speech at the Spring 2006 VON Conference & Expo in San Jose, California, Blake Irving, corporate vice president of the MSN Communication Services and Member Platform group, detailed the company's voice over Internet protocol (VoIP) strategy and vision for his company's new Windows Live Messenger:

"Our mission with Windows Live is to deepen people's relationships with whomever and whatever matters most to them," Irving said. "We will get there by working closely with the whole ecosystem of telecommunications, Internet services and hardware manufacturing partners to build a complete presence- and contact-centric communications experience. Voice and video will play a critical role as a data type that brings relationships to life online, taking us from an era of black and white to Technicolor."

Microsoft today offers customers free video conversation (integrated audio and video) powered by Logitech and free PC-to-PC voice capabilities powered by Microsoft® technology via MSN® Messenger. In addition, Windows Live Messenger includes one-way PC-to-phone calling capabilities in several markets that are part of a pay-for-use service provided by Verizon.

The company has seen a sharp uptake in customer use of voice and video services over the past six months, including record usage in January. MSN Messenger hosted voice sessions totaling more than 800 million minutes in January 2006. Video usage on the service is currently growing even faster than voice usage alone, with video conversation connecting customers for almost 1.1 billion minutes in January. In addition, stand-alone webcam usage totaled an additional 7 billion minutes in January.

"More than 20 million users on average are using our voice conversation service in MSN and Windows Live Messenger each month," Irving said. "While the number is impressive, it's only a small portion of our 205 million active MSN Messenger users each month. There is still a lot of room to grow."

"Windows Live Contacts will act as the 'plumbing' that brings life to the relationships between people's online contacts and the services they use,"

Irving said. "With more than 13 billion contacts in people's online address books today, our goal with Windows Live is to enable people to take instant action on any of their online contacts across our services. Voice and video remain a central 'action' in our Windows Live vision of enabling rich, seamless and simplified connections that make people's online world better."

- Microsoft – Press Pass – Information for Journalists, March 15, 2006

As described in this article, Microsoft is positioning MSN Messenger and Windows Live Messenger to enable the user to access their address books stored online, click on a name and have instant audio, video and text communication. Their goal, it appears, is to firmly tie MSN and Windows Live Messenger to the 13 billion addresses stored online, giving them an enormous market to cultivate and farm.

Do people really want any company to have access to their personal address book? We think not, and we further believe that makes a strong case for a safe, secure and private Internet communication system like **myforum2**.

VIDEO CONFERENCING

Several decades ago, those of us old enough to remember were awed by video conferencing. To think that a group of people in New York could gather in a room and talk with and see a group of people in a room in Los Angeles was truly "awesome".

Since that time, videoconferencing has become an industry unto itself, driven by technology giants like IBM, Sony, Panasonic, and Microsoft; along with companies like Polycom, Tandberg, Aethra, Lifesize and Radvision. Today, videoconferencing is commonplace in corporate and governmental meetings, classrooms, telemedicine, telecommuting, judicial systems, scientific laboratories, law offices, etc., etc, etc. It has become such an integral part of our societal fabric that we are no longer awed by its miracle.

Manufacturers and vendors in this segment of the industry "tailor make" systems to fit customer companies. Larger companies and integrated industries, such as hospitals and medical laboratories, may have their own private 'in-house' videoconferencing network tied together by satellites reaching around the world. Smaller firms may have systems that connect via the Internet between their offices and locations.

One technical consultant we know lives in a small mountain village in California, and for the past 15 years has been video conferencing with software manufacturers everywhere from the elaborate computer lab he built in his home. Wearing a microphone that is tracked by the cameras mounted around the room

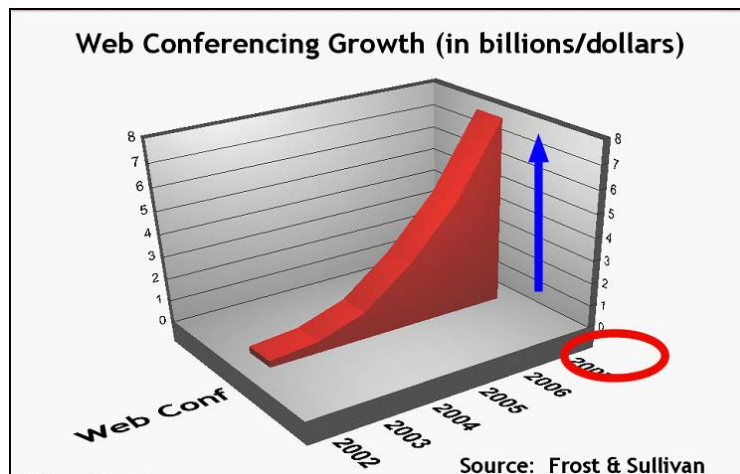
utilizing infra-red beams, he displays documents on-screen, writes on a white-board screen or demonstrates a system while walking around the room.

Other videoconferencing companies provide “broadcast” studios or facilities for clients. Eyenetwork, is one example. Their website advertises that:

“eyenetwork is an international video conferencing booking service with over 2500 affiliate public bureau around the world, all available for hire by the hour. All you need to do is to tell us the site where you want to video conference with and we book your nearest location.”

- www.eyenetwork.co.uk

A quick Google search for Video Conferencing Services produced over 12,000,000 “hits”. If only 10% of them are actual video conferencing services and vendors, that’s 1,200,000 companies! That certainly lends support to the following graph proclaiming that “Web Conferencing Growth” should go over the \$7 Billion mark in 2007 – and that’s just one specialized segment of the video communication industry!



So, it appears that Mr. Hochheiser of AT&T may have been correct in the year 2000 when he stated: *"It's still not entirely clear that people want to be seen when on the telephone,"* said Hochheiser at AT&T.

Today, however, it is apparent that almost everyone in the world wants their 15 minutes on camera...especially the younger generations. All we have to do is look around at the teenagers – particularly the girls - walking around with video and photo cell phones, dramatically emoting to each other, examining hairdo's, fingernails and clothing. The only requirement, of course, is that the performer needs to be “beautified” before going on camera, which seems to apply to the rest of us, as well.

WHAT WE DO KNOW

What does all this mean for **myforum2** in the midst of this tsunami? To attempt to answer that question, let's look at what we know:

We know that video usage is exploding around the planet on the Internet.

We know that hundreds of millions – perhaps, billions -of people are accustomed to communicating with others via their computer and the Internet.

We know that many of those millions are willing to accept mediocre quality, ads, intrusions, nuisances and lack of safety for “free” service.

We know that large numbers of people are moving away from Telco's for cheap or no cost telephone service utilizing the Internet.

We know that other millions of people, businesses and professional organizations are willing to spend billions of dollars to get high quality, safe and efficient video conferencing.

We know that people, companies and organizations are willing to spend large amounts of money for video telephones and other handheld communication devices.

We know that the whole world is fearful of identity theft, theft of intellectual property and invasion of their privacy and personal safety.

CONCLUSION

myforum2 is perfectly positioned to find its place in this enormous tidal wave driving video communications over the Internet. It won't appeal to those willing to accept low quality, free service. But, **myforum2** will be welcomed by those millions of people, companies and organizations seeking safe, secure and private high-quality online video communication at a very affordable cost.

In the tsunami chaos pop-ups, unwanted advertising, the intrusive spying of corporate giants, accompanied by Trojan Horse and Worm invasions, **myforum2** is the shelter from the storm - ***the safe and secure online meeting forum for family, friends and business.***

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