

The release of Microsoft Surface Hub is set to redefine what end users expect of interactive displays. Nial Anderson investigates what effect this may have on the market.



# Beneath the surface

Many from the AV community laid eyes on Microsoft Surface Hub for the first time at the ISE show this year. Now due for release in early 2016, the interactive touch display is already making waves in the market as an out of the box system for videoconferencing, collaboration and whiteboarding as well as offering the traditional benefits of a touch display.

The 4K 84-in display will be priced at a cool €22,000 which will aim it firmly at the high end corporate install market but the 55-in will be significantly cheaper at around €6,000. This will make it a credible competitor to other manufacturers with products at that end of the market.

According to Jon Sidwick, vice president of distributor Maverick Europe, test units have made a huge impression and a healthy order list has already grown in anticipation of the product's official release.

"We've got a surprisingly large pipeline of Surface Hub orders for projects," he explained, "We're talking about hundreds of units. Most of these will be for about 10 displays each to deploy around an organisation to evaluate its impact. Corporates that have used test units have fallen in love with the look, the concept and

*“ We’ve had people spending \$20,000 at a time (on Microsoft Surface Hub) – just based on the YouTube video and a spec sheet. ”*  
*- Jon Sidwick, Maverick Europe*

the way it works. Elsewhere we've even had orders – people spending \$20,000 at a time – just based on the YouTube video and a spec sheet. It's crazy."

Sidwick said that user endorsement of Microsoft's Surface Pro tablet had meant that customers were now prepared to look at the company as a serious hardware supplier. The main draw for corporates of the new product, he said, was to have simplicity of desktop videoconferencing and collaboration in a meeting room environment.

"A lot of these guys are using Lync as their communication platform and Skype for Business is all about ad-hoc video and data collaboration across the workplace. This is opposed to having pre-booked meetings in one place, organised by a PA, where everyone tries to figure out how it works. Free-flowing and quick communication is exactly what Lync or

Skype for Business delivers and they see that as the way an organisation should work. To be able to deliver that into a multi person environment is a very strong selling point."

A potential drawback to the product is its need to be tied to a Microsoft infrastructure, but Sidwick said the hype is such that some corporates are holding off deploying systems until Hub is released.

"There isn't anything in that space at the moment which is a larger deployment of multiple units into the meeting room space that offers collaboration and communication," he explained. "You've either got a full deployment of VC system or a display device at the lower end. This is the step change companies have been looking for."

Phil Gaut, Samsung's UK & Ireland's director of displays, thinks Microsoft has a good chance of making



< a dent in EMEA's interactive display market. The growing demand for interactive displays within EMEA comes mainly from the education sector, an area where Surface Hub is unlikely to find widespread adoption due to its price point on the 84-in model, and the 55-in display's insufficient size for front of classroom duties. However, Gaut expects demand for interactive displays from the corporate sector to double in size.

"The corporate sector is set for big growth so it is poignant that this is the market that Microsoft is looking into at the moment," he said. "The large format display market has grown significantly over the last three years and it's also grown independently of the tradition whiteboard market.

"Taking the UK as an example, the large format display market as it stands today is worth €205m, while the interactive flat panel market is now worth about €96m. The traditional flat panel market will be fairly flat next year; somewhere in the region of 5% growth is our opinion. The really exciting thing about interactive as a category is that market is set to increase about 33%. I think interactive is going to be a key growth engine for the market."

Samsung is bringing three interactive displays to the market at the moment in 65-in, 75-in and 82-in sizes. Later in the year a 4K 85-in fully interactive display is expected. Gaut said he expects Surface Hub to do well, and equally stimulate the whole sector to the benefit of all manufacturers.

"Microsoft is showing us something new; a multifunctional device that hasn't been seen before in the marketplace. I was at Infocomm this year and spent about an hour with the product and found it to be a great, high quality panel. The screen is very quick and I like some of the connectivity functionality like NFC log

in. If you had a greenfield site with no technology in it it would be a great product to deploy.

"Equally, we're confident as the largest screen manufacturer in the world that we can take our strength and heritage from AV and deploy that in the interactive market and give people a platform where they can use any software solutions, including Microsoft.

"I think there are advantages and disadvantages of integrating all those different communication styles into Surface Hub. The other challenge for it is its price position. Its real benefit will be in mass adoption rather than it being included in select meeting rooms. Will it

to sell Flipbox or Flipbox-based display against competitors. It takes more effort to "sell" the idea of replacing flipchart with an interactive screen."

Other display manufacturers are set to benefit from almost like-for-like replacement in the education sector as projectors are replaced with today's more capable interactive displays or whiteboards. It is likely that the limited demand for Surface Hub in this area may come from certain deployments in higher education, and really only if Microsoft releases a display larger than the 55-in screen and cheaper than the 85-in display.

Smart, a company that made its name in education,

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*- Phil Gaut, Samsung*

have a place in the market? Yes. Every time Microsoft issues a press release on it or talks about it, it benefits the interactive market in totality."

Elena Novikova, CEO of Russian manufacturer and integrator Polymedia JSC, echoed Gaut's sentiments that Surface Hub has the potential to further stimulate a market already projected for impressive growth. Polymedia currently offers Flipbox, a multi-featured software product aimed at the meeting room encompassing flip chart sharing, videoconferencing and wireless presentation.

"We are in general very positive about the release of Surface Hub – because Microsoft helps to popularise the idea of using an interactive display in the meeting room," she said. "In our experience – it is not hard

recently released its latest whiteboard in the form of Smart kapp – a dedicated whiteboard that allows the instant sharing of work to devices anywhere in the world – and Smart kapp IQ, which offers the same functionality with the benefits of incorporating an interactive display.

Smart's chief technology officer Warren Barkley said kapp was focused on delivering simplicity rather than complexity, and by being an agnostic product was a different kind of offering than Surface Hub.

"The Microsoft brand carries a lot of weight but I'm not worried about competing with that because we're doing very different things. They're starting from a very sophisticated, very expensive place. The one thing they don't really have is an AV channel, they could build

< that of course but it's going to take time and energy.

"Surface Hub has a lot of stuff in it, they've integrated mics and cameras and stuff like that. We're not trying to take that Swiss army knife approach. Our product is not all singing-all dancing; we're not trying to do app sharing or allow you to write on top of complex diagrams, it's more a case of capture, share, save, continue. Surface Hub is a relatively closed system so you have to run Windows 10 and their clients - it's Office based. Our perspective on the world is agnostic. Our technology is generally browser based, HTML5, so if you want to use our applications, whether that's whiteboarding or learning pieces and stuff like that - they're all made so that it doesn't matter where you are or what the OS is. We're not locking ourselves into one vendor.

"Our focus on simplicity over complexity means when you put it up on the wall that's it. You don't have to get the network connection or do the active directory and register the client. We're trying to go the other way - how simple can we make it, both for the user and the administrator?"

Barkley stated that kapp is not marketed to any particular vertical.

"We just look at who does whiteboarding - for us it's a horizontal rather than a vertical play," he explained. "There's a vertical within every company that our

**“If the solution is hard to use nobody will use it in business except rare enthusiasts.”**

*- Elena Novikova, Polymedia*

research guys would call creatives who aren't designers but they like to draw and whiteboard. With kapp IQ - we've sold that into everything from education to law offices to manufacturing. All of that line is now ultra HD so what we're seeing is that when people have to replace projector, they are doing so with flat panel and they seeing kapp IQ as worthy replacement because they can get some more value."

Polymedia's strategy to developing products that appeal to the corporate space is to combine the convenience of an all-in-one product like Surface Hub with the simplicity of a product like Smart kapp.

"Absolute simplicity of usage is key; no training should be required to use all features of the device otherwise adoption will be very slow," Novikova explained. "That is the difference with the education market and interactive screens, for example. If the solution is hard to use nobody will use it in business

except rare enthusiasts. We've worked really hard to create a product solution that would cover all meeting rooms usage and be simple enough for everyday use by untrained people who do not want to invest much time into learning new technology.

"As for Microsoft Surface Hub - it has pros and cons. Cost, availability and support - these are cons. Great hardware specs, great integration of software and hardware - these are pros."

Although the ubiquitous adoption of Surface Hub clearly isn't Microsoft's goal, the release of the product next year is set to redefine what is possible from an out of the box interactive display.

"Products like this will be redefining peoples' expectations of interactivity in the workplace," concluded Sidwick. "At the minimum I think this will lead to an expectation that interactivity will be standard on most devices." 



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