Google Makes Stronger Play For Businesses With Hangouts

Summary: Google’s Hangouts announcement is a competitive move against Microsoft and others to provide real-time communication and collaboration for enterprises.

Event: On 31 July 2014, Google announced that Google Hangouts now has the same Terms of Service that support other Google Apps for Business products, like Gmail and Drive. Also, Google Apps For Business users will no longer need a Google+ account to use Hangouts.

Analysis

Google has been trying to get Hangouts into the enterprise for some time, but its consumer-level SLAs kept it from being a strategic enterprise offering such as Microsoft Lync. The new SLAs give Hangouts the same 99.9% uptime and 24/7 support as Google Apps for Business, making it ready for critical business use.

Hangouts For Business

While Google has emerged within enterprises because of strong penetration by Gmail and Google Apps For Business, it lacked a serious real-time or UCC (unified communication and collaboration) product. The move to unite its communications functions under Hangouts was critical to making it more of an enterprise provider.

Hangouts is still not a full UCC offering compared to Microsoft Lync, but Google has made several ecosystem investments around it. The company recently announced partnerships with third-party providers such as Blue Jeans and Vidyo. Blue Jeans will enable cloud-based interoperability between legacy H.323 and SIP-based video conferencing room systems with Hangouts and Chromebox For Meetings.

Vidyo will also enable interoperability with legacy video conferencing room systems but will offer it both as on-premises and cloud. The Vidyo partnership also goes a step further and offers interoperability with Lync.

The Blue Jeans and Vidyo-based capabilities will be available in September and November respectively. These are key partnerships for Google. By potentially allowing Hangouts to tie into existing infrastructure investments, they will make it more attractive to enterprise customers.

Hangouts still has some lingering restrictions for business users. Google Apps account users won’t be able to access Hangouts on mobile just yet. Also, the Screenshare and Chat apps will be available, but not Hangouts On Air, which we believe would be a great application for marketing communications.

Google’s Stake In The Ground

This is a stake in the ground from Google to establish Hangouts as a business tool, as was the Chromebox for Meetings release. However, we believe Google fully realizes it will need it to interoperate with existing business UCC tools if it wants to increase potential for adoption.

Challenges And Opportunities

Google is coming into a market with established major players such as Microsoft and Cisco whose offerings have become infrastructure in
enterprises. Being late to the game will be a major challenge to establish credibility. However, the big opportunity for Google is that it can now message a fuller offering and suite along with email and productivity apps to customers. The suite approach is what its main competitor Microsoft has always done.

Aragon Advisory

- Google Apps For Business customers should get the full roadmap for Hangouts and look at the business uses it would support.
- Non-Google customers should evaluate the fuller Google suite, since it now includes real-time communication and collaboration capabilities.
- Enterprise planners should get clear direction from Google as to the network bandwidth requirements for Hangouts.

Bottom Line

It is no surprise that Google is rounding out its suite of offerings to make it more compelling for enterprise customers. Google will still need to provide credible messaging about the enterprise readiness of Hangouts, especially from a network and bandwidth perspective.

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