

pwc
GLOBAL
CASE COMPETITION



zoom

Zooming into the Future

We Deliver Happiness

Tech Support Squad
North America



Mute



Stop Video



Security



1

Participants



Chat



Share Screen



Record



Closed Caption



Breakout Rooms



Reaction



Situation, Issues, Strategy, Future

Situation

Video Conferencing
(VidCon) market
saturation

Customer Retention &
Acquisition

Reduced virtual presence of
customers post-pandemic

Lost opportunity to expand Global
market share

Issues

Post-Pandemic work
environment change

Losing small business customer that accounts for 30% of Zoom revenue to low cost
meeting offerings from Microsoft & Google

Low Overseas Presence

Strategy

- Product Diversification
- Improve pricing options
- Build next-gen AI enabled products
- Invest in acquisitions and partnerships to
 - Expand market
 - Acquire new customers
 - Build moonshot products



VidCon - Conversational AI - **30% CAGR : \$20B market by 2030**: *Acquire Rewind AI*, to strengthen Zoom's Video Content Management, Video Hosting, Transcription, Screen and Video Capture and Communications, Meeting Management, Search across meeting recordings, secure, automated speech recognition. AI driven Chatbot assistance - Q&A in zoom rooms, meetings & add-ons

8x8

Contact Center - **18% CAGR, \$102B market by 2030** & **VOIP - 15% CAGR, \$75B market by 2030** *Acquire 8x8* - Counter 2021 failed acquisitions. Huge potential to gain the PBX and VOIP 400M global customer base and expand market share in APAC and EMEA.



MetaVerse - **44% CAGR, \$1.526T market by 2030**

Partnership with Improbable - build Moonshot products with AR/VR enabled meetings and events in the MetaVerse & Zoom into a live video game - more R&D investments

Future

Expand global presence
Grow at the rate of at least 12% year on year
Remain the leader in AI driven video conferencing products
Become a leader in MetaVerse Meetings, MetaVerse Game Events & Connectivity
E-Commerce integration of Zoom SDK with audio/video assistants & other products



Mute



Stop Video



Security



Participants 1



Chat



Share Screen



Record



Closed Caption



Breakout Rooms



Reaction



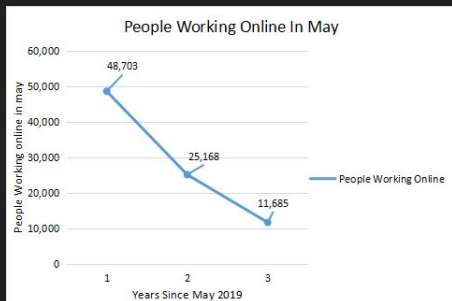
Zoom faces three issues in the current status quo

1 Post-Pandemic Environment Change

Zoom will lose customers due to people transitioning back to an in-person environment.

People are now spending less time online^[4]

Educational support is being removed by zoom, a major sector of video conferencing market^[1]

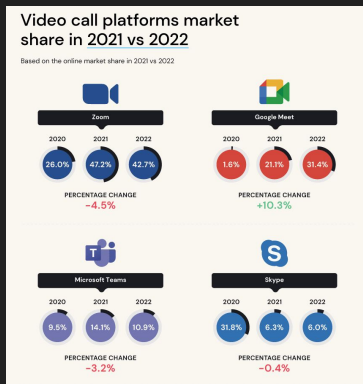


[12]

2 Competition

Cuts to company IT budgets and competition from the likes of Google Meet and Microsoft Teams^[1]

Enterprises already paying for Microsoft 365, therefore use Microsoft Teams along with 365 office products^[2]



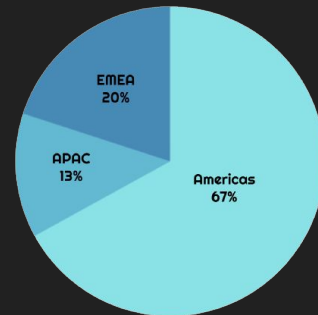
[2]

3 Low presence in APAC & EMEA

APAC and EMEA Revenue not substantial and need to grow

APAC & EMEA companies with under 10 employees cannot get access to a business account^[6]

Inability to differentiate in APAC & EMEA regions promote more local choices of video conferencing^[5]



[2]

Zoom Revenue Share by Region 2022

Sources: [1] ZoomSupport [2] PWC Case Study, [3] CSA, [4], Zoom, [5] Zdnet, [6] Nation Business Capital, [7] Business of Apps, [8] Zippia, [9] BizJournals, [10] Yahoo, [11], Investopedia, [12] bls.gov



Mute



Stop Video



Security



Participants



Chat



Share Screen



Record



Closed Caption



Breakout Rooms



Reaction



8x8**8x8**

Market cap: \$475.79M
Revenue: \$187.39M

- A strong company in the contact centers market with VoIP
- Has presence in APAC and EMEA^[1]

The infrastructure of 8x8 will support Zoom phone, which will expand their contact center internationally and rival competition like Google Voice.^[1]

- Zoom can acquire 8x8 for ~
\$500m

Improbable

Current Valuation: \$3 billion^[4]
Total Funding: \$704M^[5]

- A metaverse infrastructure company based in Britain
- Huge potential in VR/MetaVerse Market

Improbable's Morpheus tech enables enhanced social interaction and a sense of presence inside virtual spaces^[3]

- Overseas presence
- Big shares in the MetaVerse Market

We suggest zoom to buy an **agreed amount of stake** to control **at least 50%** of the company

Rewind AI

Current Valuation: \$75M
Revenue: \$378k

- A startup that uses AI to record and index meetings^[2]
 - Market Cap is around 200 times more than the revenue
 - Big investor interest

Benefits users who have a hard time remembering or are overloaded with information.^[2]

Zoom is able to appeal with this AI to customers who may prefer Teams.^[2]

Zoom can purchase Rewind AI ~**\$80M**

Sources: [1] 8x8, [2] Andreessen Horowitz, [3] Improbable, [4] MetaVerse Insider Tech, [5] crunchbase



Mute



Stop Video



Security



Participants 1



Chat



Share Screen



Record



Closed Caption



Breakout Rooms



Reaction



Strengths



- Leader in VidCon Global Market
- 5.4 billion in cash
- Supports large audiences
- Diverse Product Landscape

Weaknesses



- Low Presence in APAC and EMEA region
- Products outside VidCon are not popular
- Unable to differentiate from competitors

Opportunities



- Combined 1.7 trillion in MetaVerse & Contact Center market opportunity by 2030
- Addition of millions overseas customers
- Increased AI innovation
- Attract more VidCon customers short-term

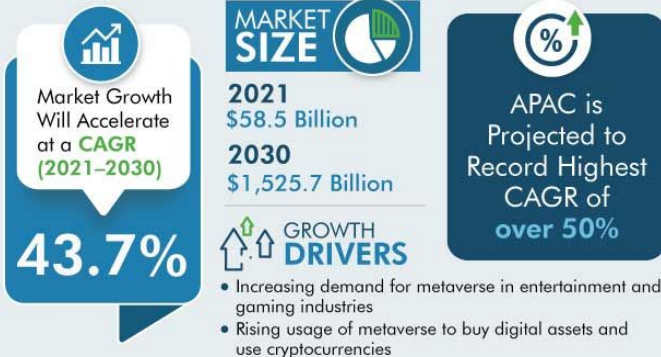
Threats



- VidCon Market Saturation
- Customer Loss

Metaverse Market

PRESIDENT & STRATEGIC
INTELLIGENCE
Where knowledge inspires strategy



Contact Center Software Market

PRESIDENT & STRATEGIC
INTELLIGENCE
Where knowledge inspires strategy



Mute



Stop Video



Security



Participants 1



Chat



Share Screen



Record



Closed Caption



Breakout Rooms



Reaction



Risk Analysis with Possible Solutions

Status Quo

Rewind, 8x8, Improbable lose revenue



- Try to diagnose issue
- **Worst case scenario:**
 - **Sell all assets**
- **Keep rights to patents for future use for zoom**

Competing company acquires either Rewind, 8x8 or does a merger with Improbable



- Commit to talks with those companies ASAP
- **Worst case scenario:**
 - **acquire a similar company**

Too much premium for acquisition



- Be cautious with negotiations
- Slight overpay isn't a big issue, profits will make up for it

Future

Competitor makes acquisition and overtakes for lead in market



- Create more competing products
- Make similar acquisition

Forecasts are inaccurate



- Ensure that forecasts are accurate before being put into action
- Purchase companies only after certain conditions are met

No cooperation between Zoom and Improbable employees



- Initiate employee events
- Increase worker incentives



Mute



Stop Video



Security



Participants 1



Chat



Share Screen



Record



Closed Caption



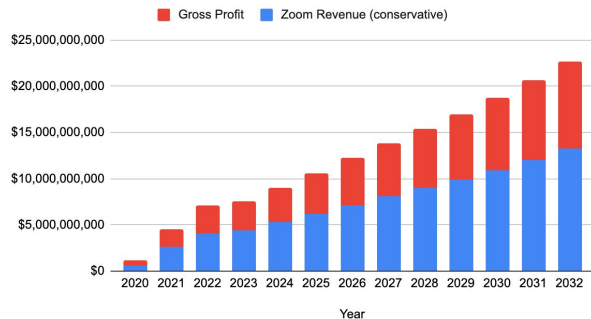
Breakout Rooms



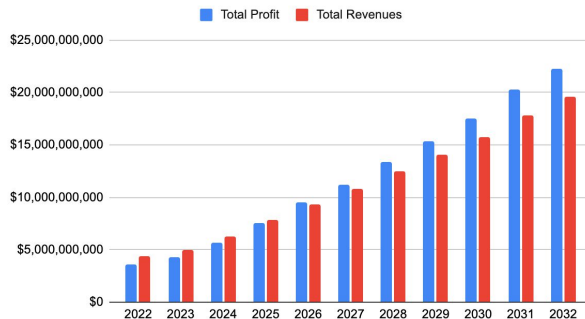
Reaction



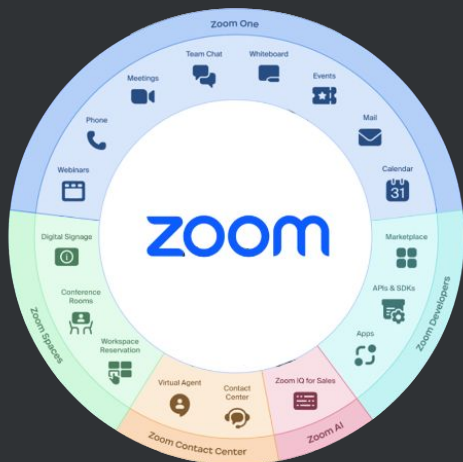
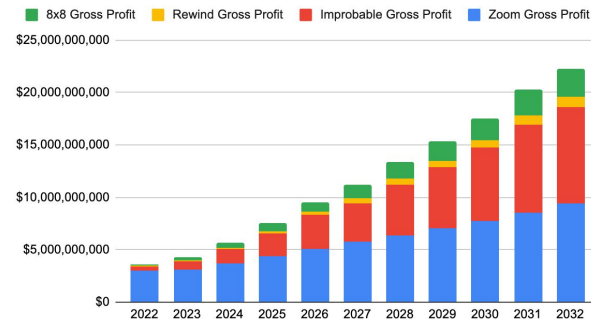
Zoom Individual Revenue Forecast



Zoom Total Revenues after acquisitions/partnerships



Zoom & Acquired Companies Profit Distribution



- Zoom should be making forward-facing decisions to expand their product footprints by investing in R&D of
 - Zoom Phone
 - Zoom Spaces
 - Zoom Contact Center
 - Zoom AI
 - Zoom Developers

Projected increase in revenues of **at least 12%** year over year depending on market share in MetaVerse

1. Organic growth in Zoom products **at least 3%**
2. Growth due to Acquisition **at least 3%**
3. Growth due to Partnerships **at least ~6%**



Mute



Stop Video

Security

Participants 1

Chat

Share Screen

Record

Closed Caption

Breakout Rooms

Reaction



The background of the slide is a dark blue grid of squares. Each square contains a lighter blue silhouette of a person's head and shoulders, representing a diverse group of individuals. The silhouettes are arranged in a 3x3 grid, with the center square being empty and containing the main text.

Thank you!

We Deliver Happiness