

# Zoom wants to make sure video has staying power in the post-pandemic world

Article



Video conferencing giant Zoom **released** a software development kit (SDK) that lets developers integrate its platform's video features into their products. The SDK, which can be

used in both mobile and desktop applications, will run video calls over Zoom's service but won't use Zoom's branding. All this could appeal to **healthcare** and social media developers looking to easily integrate industry-leading video functionality into their apps.

**Zoom emerged at the forefront of remote communication providers during the pandemic, as users flocked to its platform to facilitate working and learning from home.** The company saw a **staggering rise** in its daily meeting participants from around 10 million in December 2019 to more than **300 million** by April 2020. That rapid growth helped Zoom **attain** a market capitalization of \$129 billion last fall—though that has since **fallen** to around \$100 billion. Zoom also experienced a nearly sixfold increase from the previous year in the number of revenue-generating licensed seats, **per** The Wall Street Journal.

**Partnering with developers provides Zoom an opportunity to pursue new growth strategies as we return to some form of normalcy.** The centrality of video calling to Zoom's core business makes it both the benefactor of and especially vulnerable to changing pandemic habits, in ways that competitors with more diverse portfolios like **Google** and **Microsoft** manage to avoid. The SDK presents Zoom with a significant new revenue opportunity, which is potentially more sustainable than its flagship **subscription-based model**: Offering its service as the underlying video architecture for a platform enables Zoom to charge developers based on usage volume rather than subscription seats.

**Developer adoption of Zoom's SDK infrastructure could help improve video communication use cases across industries—which in turn may help sustain consumer interest in the tech even as its pandemic-driven necessity begins to fade.** According to the **COVID-19 Healthcare Coalition**, 34% of US healthcare practitioners reported using Zoom to access telehealth last year. In addition, 10% of consumers worldwide **reported** using video chat as a customer support channel for the first time last year, **per** Zendesk. By selling its video features, Zoom's betting consumers have gained a long-term appetite for video communication, and that its product's position as the industry standard is strong enough to win partnerships with developers over competitors like Amazon **Chime**.

## Coronavirus Impact: Top 5 Apps in Asia, Europe and the US, Ranked by Downloads, H1 2020

millions

Asia		Europe		US	
1. Zoom	167.6	1. Zoom	75.3	1. Zoom	57.0
2. TikTok	83.4	2. TikTok	40.4	2. TikTok	23.4
3. Instagram	49.6	3. Microsoft Teams	26.5	3. Google Meet	15.6
4. Google Meet	48.4	4. Google Meet	20.8	4. Houseparty	11.3
5. UVideo	44.4	5. Skype	18.0	5. Microsoft Teams	8.5

Source: Sensor Tower, "Store Intelligence Data Digest: Q2 2020," July 16, 2020

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