



TALKING SHOP

With the wave of new digital dictation machines now firmly entrenched, we take a look at this developing market, what you need to know and how to sell it.

“Sarah, take dictation. I love you and I’m leaving Beryl.” Surely a scenario (with a few name changes) that happened more than a few times during the last century. However, with the advent of digital technology (and expensive divorces) probably a romantic gambit less employed in the steel and glass business towers of today.

While not completely getting rid of the need for a personal assistant/mistress, digital machines have revolutionised the dictation marketplace since they debuted a few years back. It hasn’t really been until last year, however, that there had been a real uptake of the new technology, as John George, MD of distributor JGBM, explains. “The analogue dictation market is a very mature one and replacement with digital has been slow to catch on for two reasons,” he says. “Firstly, to upgrade to digital it makes sense for the professional user to replace all of their units. Therefore, the decision to replace with digital can be a high capital cost, and a bigger decision than just changing one machine at a time. Secondly, the benefits of digital for professional use need to be demonstrated.”

An additional factor is the revenue stream fed by the sale of accessories and consumables, such as the now redundant tape. Says Bob Tear, marketing director of >>

distributor Imcopex, "With the introduction of digital dictation, consumable sales have vanished. The supply chain is clinging onto analogue as this is the only route where consumable sales exist and it provides an important revenue stream."

Despite this, the swing towards digital as standard is gaining momentum. The traditional target markets remain: medical, printed media, businessmen on the road and, according to Grundig Business System's marketing manager, Kristina Hoffman, leading the uptake is legal.

"In both the UK and Germany, it seems to be the legal market that's at the forefront of this change," she says. "Digital dictation improves both workflow speed and cost-efficiency, as well as offering an array of user benefits: better quality recording; easier dictation because you can insert or delete sections in existing dictations instantly; easy transmission via email or network; and it can be combined with voice recognition software."

Digital has also opened up some new sales opportunities, mostly through its ease of application for multiple tasks. Tear explains that with the new technology also comes the ability to store MP3, a feature that is increasingly seen on products towards the bottom end of the market.

"Yes, you can use them for dictation but they are also an MP3 player and, quite often, a memory stick," he adds. "This is a positive move, to increase the target audience and increase sales. As a result, a lot of the product is finding its way into education, particularly universities."

She adds that Grundig is currently investing 15% of turnover in research and development, a figure she claims is "unheard of in the dictation market"

So what differentiators currently exist between products in the marketplace? Have any 'killer apps' been developed to push a clear product leader? Not yet, says JGBM's George.

"Basic machines usually have an internal memory but which isn't downloadable to PC. Next up will be units with download software included, then machines with a memory card facility providing unlimited memory capability," says George. "Ease of use, specification, flexibility and design are all determining factors, as well as price, of course."

Hoffman, of manufacturer Grundig, has a slightly different take. She highlights one particular advance for the medical sector, her company's development of RFID readers to combine data and

speech. "This can, for example, be used in hospitals that RFID tag patients for identification," she explains. "With the RFID reader this data (e.g. patient number) can be read and indexed to the appropriate dictation."

She adds that Grundig is currently investing 15% of turnover in research and development, a figure she claims is "unheard of in the dictation market".

For 2006 she expects the success of digital dictation to continue with new developments, which will make working with digital dictation even more appealing. One pending development is the introduction of password protection for mobile dictation, something that should sell a product strongly to those handling confidential and personal information.

John George gives a broader market prediction. He says that the market has grown dramatically in 2005 and will continue to do so in 2006. But again, while it is growing steadily, it's yet to take off through the traditional stationery dealer channel.

"There are parallels to be drawn with any technology product that starts off requiring specialist demonstration and that subsequently becomes a commodity," he explains. "The projector market went through just such a transition in the past three years from a £5k specialist product that was only supplied by AV dealers, to the £500 commodity product of today supplied by anyone."

So there you have it. A market in transition with a broadening portfolio of opportunities for the salesman with a bit of initiative. ■

Killer app?

The current generation of digital dictation devices has made it far easier to capture and replay notes or memos. For many users however, those improvements fail to address a more critical issue – how to transfer that captured data into an easily editable and distributable format, such as a Word document.

Nuance (formerly known as ScanSoft) claims to address this issue – and present an up-sell opportunity to resellers – with its desktop speech recognition software, Dragon NaturallySpeaking Mobile. After dictating to the Philips VoiceTracer handheld device supplied with the software, users link it to their PC, and the speech recognition software turns speech into text.

As people dictate faster than they can type, this means that reports and notes can be turned into documents very quickly, greatly increasing the volume of documents that can be created. More critically, it frees the user up to book more appointments or meetings with new or potential customers.