



The Transformative Effect of **High-impact Spaces** on **Modern Workplaces**

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FROST & SULLIVAN EXECUTIVE BRIEF

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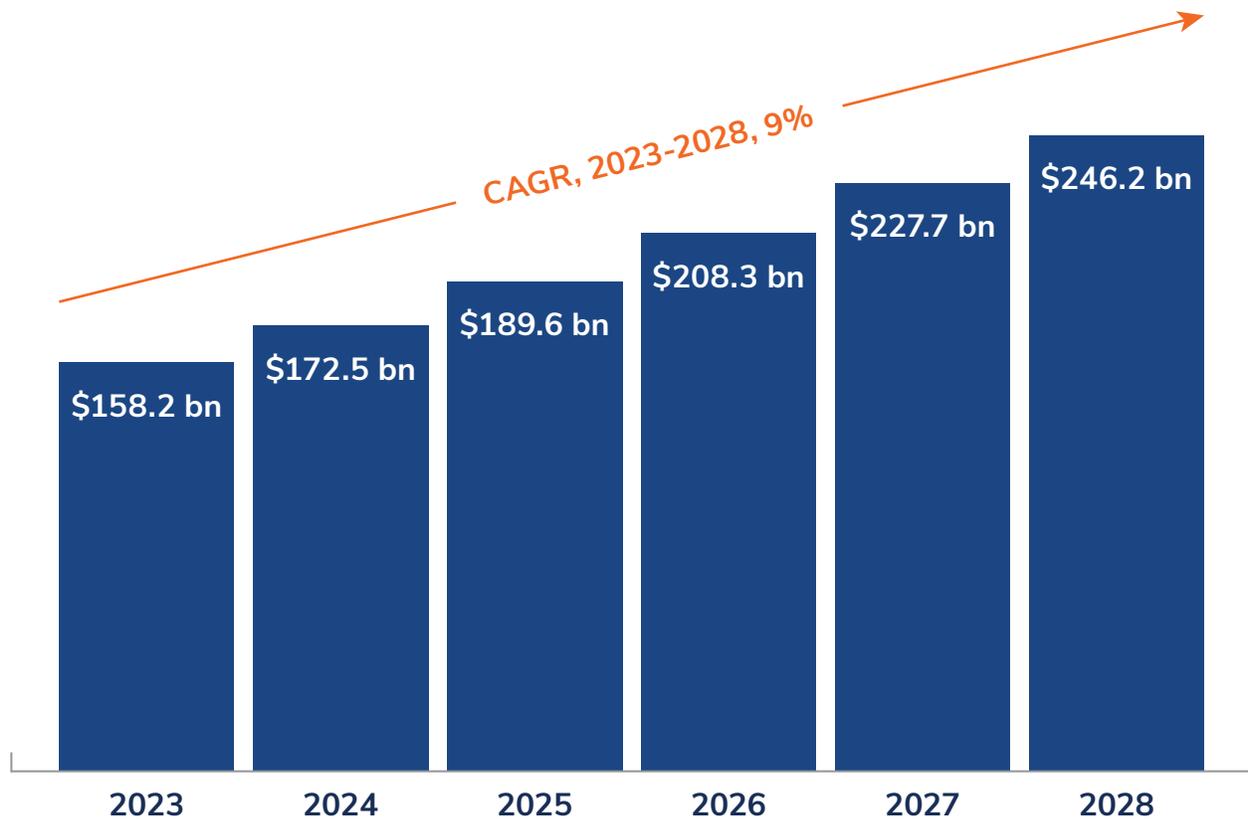


The High-Impact Space Market Will Surpass \$170 Billion in 2024

The growth in high-impact spaces has been nothing short of remarkable, surpassing Frost & Sullivan’s most optimistic projections. No longer considered mere luxuries, high-impact spaces play a pivotal role in workplace transformation and represent a paradigm shift in how organizations conceptualize collaborative environments and acknowledge the inherent value of every square foot of their real estate.

In 2021, Frost & Sullivan conducted its first analysis of the high-impact space market, estimating its value at \$79 billion. As we look ahead to the end of 2024, Frost & Sullivan now anticipates more than a doubling of the market for the hardware, software and services constituting high-impact spaces, reaching an impressive \$172 billion in 2024. Looking further into the future, we project the market valuation to soar to an astonishing \$250 billion by 2028.

Annual High-Impact Space Revenue Forecast





The significant success of high-impact spaces heralds a real estate revitalization that focuses on the deliberate use of space to craft meaningful experiences and dismantle barriers to creativity.

High-impact spaces are evolving into more than just physical locations; they become flexible hubs for shared experiences, mirroring the shifting dynamics of the contemporary work environment.

The opportunity for organizations to nurture an engaged workforce through technology is primarily why high-impact space investment levels are climbing and why organizations prioritize investments in larger collaboration spaces.

Amidst the volatility of the current economic climate, Frost & Sullivan forecasts that corporate expenditure will remain steady in the near term. Our studies indicate that a significant 40% of organizations are, in fact, bolstering their digital technology investments, whereas fewer than 30% of organizations are scaling back. As a result, high-impact spaces can continue to proliferate. Frost & Sullivan estimates that 7.3 million high-impact spaces had already been deployed globally by the end of 2023. We project this number will grow by an average of 15% per year, reaching 8.6 million by 2024 and 14.4 million by 2028.



14.4 million high-impact spaces will be deployed by **2028**

Three key factors are contributing to the remarkable growth in the value of the high-impact space market:

- ▶ Accelerated deployment of high-impact spaces, leading to increased unit sales annually.
- ▶ A greater number of devices, particularly multi-camera solutions, deployed in each space.
- ▶ Increases in equipment prices, which the market has accommodated.



High-Impact Spaces Make Technology More Flexible

Flexibility plays a crucial role when organizations evaluate their real estate options. Indeed, a prevailing trend in Frost & Sullivan's research is that collaboration is no longer confined to designated meeting rooms. A 2024 global Frost & Sullivan survey of IT decision-makers found that 46% of organizations are modernizing office spaces and adding more technology to improve the in-office employee experience. Organizations are recognizing the importance of outfitting all office areas to increase flexibility, nurture their culture, and extract the maximum value from their real estate holdings.

This adaptability is achieved through the combination of software platforms and individual equipment components with distinct update cycles, recognizing technology as a more flexible and less disposable resource. As the fundamental role of software in high-impact spaces grows, functionality enhancements will increasingly be delivered via software upgrades requiring no replacement of physical equipment. Through software-centricity, organizations will enjoy more targeted technology refreshes and fewer rip-and-replace meeting space refurbishments.

Subscription models are also evolving in contrast to traditional leasing agreements. These models prioritize the flexibility to engage in month-to-month contracts with providers to deliver functionality and outcomes without creating entitlements to brand-new equipment.

Ultimately, the substantial growth in high-impact spaces, combined with a plateau in overall real estate square footage, suggests that organizations are repurposing existing conventional spaces into high-impact spaces. This transformation positively affects both total cost of ownership and productivity.





Artificial Intelligence Is Reshaping the Collaboration Landscape

Artificial Intelligence holds immense promise to amplify connections between people across an organization or from audience to audience in live events. A well-designed AV system can genuinely enrich the human experience and yield superior results. In a way, AI is especially thrilling in the AV domain as it invigorates the senses, somewhat akin to having eyes and ears everywhere.

Moreover, AI enables an immense amount of data to be ingested and used with machine-learning algorithms to engineer desired outcomes. Increased automation and personalization contribute to more natural and equitable collaboration that transcends physical limitations and participants' locations.

Capabilities include AI-driven cameras that enhance video and lighting, and adaptive full-body presenter tracking that automatically frames, anticipates, and follows presenters' movement in the room to achieve professional production quality standards that deliver an enhanced far-end experience in high-impact spaces. Intelligent room microphones integrated with leading collaboration platforms harness AI to attribute specific talking points to individual speakers in transcripts and name tag individual in-room participants to make them easily identifiable to remote participants.

As the AI evolution rapidly advances, expect more innovations to further elevate the ease of use, equity, inclusivity, and productivity in collaboration sessions of all types, ushering in a new era of experiential excellence.





The Last Word: High-Impact Spaces Are Where Human Experience Intersects With Technology

High-impact spaces offer intriguing opportunities. At their core, high-impact spaces fuse physical design with the workforce's desire for interaction, connection, and community. This evolution points to a future where the quality of the work environment paves the way for a more inclusive and rewarding global workforce experience.

High-impact spaces are shaped by end-user preferences, reflecting their personal presentation styles and work environment choices. High-impact spaces enable organizations to meet the environmental and sustainability concerns that are becoming more important in society.

High-impact spaces address the varied needs of the workforce and can establish workspaces that promote equity and inclusivity while empowering a culture of creativity and productivity that drives greater employee satisfaction.

To thrive in this environment, AV and collaboration technology providers must embrace a forward-thinking mindset, master technology interdependencies, and harness a comprehensive ecosystem capable of envisioning and crafting distinctive experiences within high-impact spaces.

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