

Sudden Death for Cisco's Umi

Written by Bob Snyder
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No press conference this time, no big announcement. **Cisco just shuts off sales of its consumer videoconferencing system, Umi.**

Call it tiptoeing away from an ill-fated business debacle. Call it slinking away from another disaster for the once-infallible Cisco who thought it could cross-over into consumer marketing.

Introduced in Oct. 2010, Umi offered full HD videoconferencing in 1080p (720 for recording) for \$599 per endpoint.

OK, it included camera, a controller, and a set-top box but Umi also required a \$10 per month monthly service fee. And umi owners still had to supply their own HD TVs and pay for an ISP connection—and find somebody else who did the same.

Existing customers (so far) will continue to be able to use the service to make calls to other umi subscribers or to Google video chat accounts.

Lots of industry commentators (yes, those darn bloggers!) make this out to be the Waterloo of Cisco in consumer marketing. But we think not.

John Chambers is a pragmatist, making decisions he has to make to placate Wall Street during a difficult economy. He knows the price of these decisions: he won't easily find support to buy another consumer company or to launch the Cisco brand into the consume arena.

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But he must follow the proliferation of video and his is the loudest voice shouting about how video will dominate our communications in the future.

Where does that leave him? John Chambers and Cisco will simply bide its time and use its Linksys brand to make more attempts to follow video, VoIP, and video networking as it cascades down into the hands of consumers.

The end of Cisco chasing home telepresence? Nope. Just a time-out for a commercial message.

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