

# IP LAN Telephony: *Probing the Shift in Market Demand*



## Key Questions This Study Will Answer:

- What is the current market demand and how has it changed during the last 12 months?
- Are the adoption curves for IP LAN Telephony ahead of or behind earlier projections?
- How will the U.S. market demand grow between now and 2005?
- How does demand vary by size of enterprise? Which market segments show the greatest demand?
- What are the major differences in market outlook between *voice* and *data* decision-makers?
- What impact is the migration to IP LAN Telephony having on the traditional CPE market?
- What are the factors that will influence customer decisions regarding the method of implementing IP LAN Telephony?
- To what extent have businesses changed their implementation plans for 2002 and why?
- What lessons have been learned by the initial implementers of this new technology?

## U.S. Demand for IP LAN Telephony Has Shifted in 2001

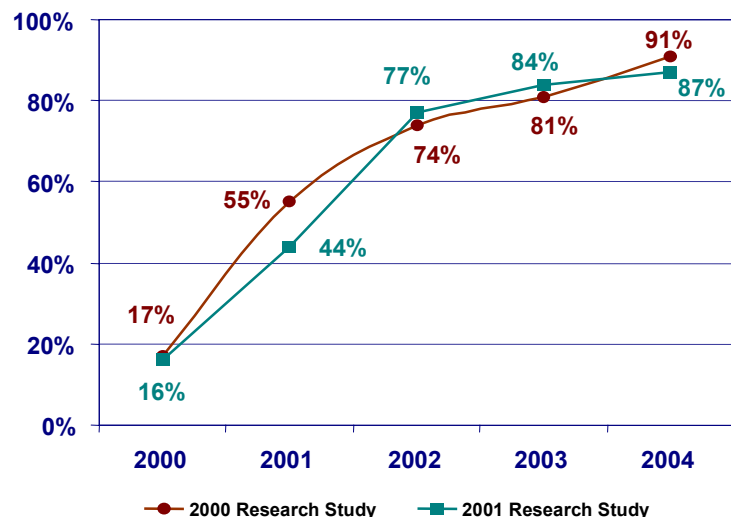
Shifts in market demand for IP LAN Telephony are impacting the market for traditional PBXs. U.S. shipments of legacy PBXs and Key/Hybrid phone systems were down sharply in 2001, as more and more customers began to implement systems based on the new IP technology. Even enterprises that have yet to purchase these new systems are demonstrating uncertainty over decisions to continue buying traditional PBXs. **IP LAN Telephony: *Probing the Shift in Market Demand***, is the third annual primary research study that **InfoTech** has published on this rapidly growing market. This study not only quantifies these changes in market demand, but also analyzes which market segments are most likely to be affected by them.

Over 40% of U.S. businesses with more than 500 employees have already begun to implement IP LAN Telephony systems. This study documents the experiences of these initial customers in terms of their level of satisfaction with the various capabilities of this new technology and also presents their evaluation of the expertise and support of the suppliers of these IP-based systems.

Conducted in the 3<sup>rd</sup> quarter of 2001, 335 enterprises and mid-sized businesses were interviewed to assess the current and potential market demand for IP LAN Telephony. The study describes how and why the market demand has shifted in several important market segments.

Quantitative analyses of primary research findings regarding market segmentation, implementation methods and installed base migration were linked with InfoTech's **InfoTrack** database to drive rigorous forecasts of IP LAN Telephony shipments and revenues and impact analysis on traditional CPE markets. The study also includes a forecast of the revenue mix between equipment, applications and related services.

## Timeframe to Begin Implementing IP LAN Telephony



## Why You Will Want This Study

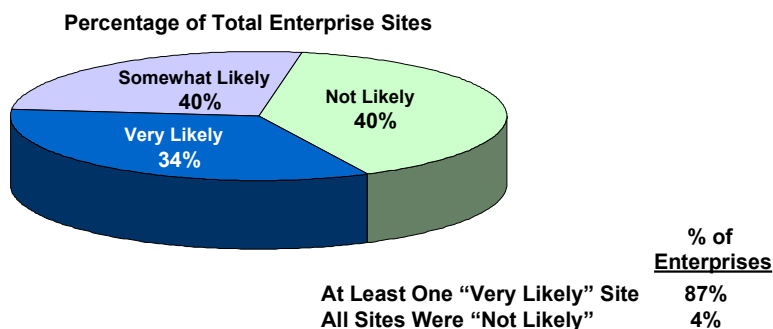
### As an Equipment Vendor or Service Provider

- Quantify market opportunity for your product.
- Assess buyer preferences for product alternatives:
  - IP-Enabled
  - IP-Centric
- Understand the primary factors driving market demand.
- Identify the mandatory capabilities your product must offer to be competitive.
- Determine the role that IP-enabled applications play in the value proposition for your solution.
- Assure that your IP Telephony solution addresses customer requirements for converged networks in both the LAN and WAN.
- Develop targeted marketing programs that address the differences in market demand among enterprises.

### As an Enterprise Decision-Maker

- Understand the differing perspectives of the Telecom Manager vs. the Data Networking Manager.
- Assess how market demand of large enterprises differs from small and mid-sized businesses.

### Likelihood of Implementing IP LAN Telephony



### Additional IP Telephony research studies and related services published by *InfoTech* include:

- **Managed IP VPNs: Solutions for Converged Services and Applications**
- **IP Telephony Systems: Customer Experiences**
- **InfoTrack for Enterprise Communications**

For information on additional *InfoTech* products and services visit [www.pbimedia-infotech.com](http://www.pbimedia-infotech.com).

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