

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

Over 40% of U.S. companies with more than 500 employees have at least begun to convert their corporate phone systems from the traditional PBXs to IP LAN Telephony, according to an InfoTech study.

"Among the businesses that have begun to implement IP LAN Telephony, over 80% reported that they were satisfied with the reliability and voice quality of these initial systems," states Terry White, lead analyst for the study.

"90% indicated that the cost savings met their expectations and 40% have already committed to purchase more systems."

The U.S. market for traditional PBXs and key/hybrid systems with more than 10 phones declined by 20% in 2001. During the same period, IP LAN Telephony shipments tripled.

The study forecasts that the annual revenue from IP LAN Telephony systems will grow by 32% per year from 2001 to 2006. However, during the same period, the market for related applications and services will grow twice as fast. By 2006, the combined revenue will exceed \$17 billion, with applications and services accounting for nearly 80% of the total.

The study, "IP LAN Telephony: Probing the Shift in Market Demand," is available on the InfoTech web site.