

`AudioCodes is very excited about open source Internet telephony in India`

Priyanka Joshi / New Delhi October 05, 2005

As vice-president for marketing at Isreal's foremost voice compression and signal processing technology company, AudioCodes, you can't blame **Gary Drutin** for being a voice over Internet protocol (VoIP) evangelist. Among his favourite forecasts: that all small business voice traffic will migrate to IP networks in five years.

He should know what he's talking about. Armed with an MBA in information systems and marketing from Tel Aviv University, a BSc in computer engineering from Israel, Drutin joined AudioCodes in 2004, bringing with him over 15 years experience in sales and management roles in the computer and data communications industries. ***Business Standard*** caught up with Drutin to discuss the future of VoIP in India. Excerpts:

How big is the market for VoIP services?

Asia has emerged the most promising region for the growth of IP telephony due to increasing deregulation in the voice and data communication markets. Internationally, the voice over Internet protocol (VoIP) market is growing at a compound annual growth rate of 278 per cent. The size of the IP telephony market in India is estimated at around \$54 million and if the market forecast is to be believed, then voice and data services would grow to \$38.8 million by 2011. We felt that it was the right time to penetrate the VoIP segment in India.

What will your new India office do?

We have started out with just a two-member office at Gurgaon but plan to hire more employees within the next two years. The India office would cater to the Middle East, India and other Asian countries. This office would serve as a base for the unexplored Asian markets where we are yet to make an impact. I expect at least half of the company's VoIP operations to be implemented from or in India.

What will be the focus of your Indian operations?

India being the second largest market for VoIP services in Asia after China, we had to size down our focus. We have been talking to few key players in India and are currently developing various telecom protocols required to interface with the Indian telecom infrastructure. The company would deploy voice and data solutions for small and medium enterprises (SMEs).

AudioCodes believes that these would drive the VoIP segment in India. We plan to create a business model to accommodate the small scale applications for SMEs as the enterprise segment does not permit much technical flexibility. By 2010, one could expect all voice traffic over IP networks.

So, you are not planning to take on established players like Cisco and Avaya in the enterprise segment?

Smaller businesses all over the world are already leveraging the gains of voice traffic over managed IP networks, followed closely by consumers making voice calls over the public Internet.

But in India, the trend is mainly restricted to bigger set ups like multinational call centres, IT companies and BPOs. Net telephony has been embraced by the bigger businesses and now it is the turn of the SMEs and the retail sector.

Cisco and Avaya might be good in the enterprise segment but there is no comparison between Cisco and AudioCodes when it comes to media gateways and soft switches. We admire their product line for the enterprise segment but our technologies and engineering capabilities are much better.

Have you forged any tie-ups to market your products in India?

We have roped in three distributors, R.B Comtec, C-DOT, and Cyberstarinfo, to help deploy technologies developed by us. We are also on the look out for more such partners to branch ourselves out in India. I am not ruling out a joint venture in the near future. Such a JV should help us in capturing a larger chunk of the IP market.

We will develop our Israel unit as the manufacturing hub while the regional offices in Boston, Chicago, North Carolina and New Jersey would be engaged in distribution of the technology and hardware.

Any product line that you will launch in India?

AudioCodes is very excited about open source Internet telephony in India. It might be too early to talk about open source where broadband connectivity is the primary issue. We feel that this technology would not only revolutionise the face of VoIP telephony but also bring the prices down further.

The company is presently working on blending open source IP-PBX technology with media gateways.