

# Cost-cutting opens avenues for video-conferencing

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NEW DELHI

AS inflation and all-round economic slowdown force companies to cut travel budgets, players in the unified communication space — essentially providers of video-conferencing (VC), tele-conferencing and web-based services and equipment — are laughing all the way to bank.

Companies such as Polycom, Reliance Communication, Avaya Global-Connect and WebEx are witnessing strong consumer and revenue growth, anywhere from 15% to a whopping 230%. Ask any company, it will spell out scores of measures underway to shave costs. And that includes adoption of technologies that allow employees across geographies to stay connected without having to travel different destinations.

For Polycom, the situation has meant 15-20% growth in the customers, more than what was targeted the last quarter in IT, ITeS and manufacturing. The firm reports an overall growth of 20% from all the industry segments for its VC business. For Re-

liance Communications on the other hand, bandwidth usage has gone up by a whopping 230% in the last 2-3 months. Its revenues from VC business has surged to Rs 14.5 cr, up from a modest Rs 4.5 cr three months back.

Companies, which are lapping up unified communication technologies, are enthused by the savings that might accrue. Pantaloon, for instance, has saved around Rs 22 lakh on travel in the last 3 months alone, thanks to the increased usage of video-conferencing as an alternative to travel. Infosys, TCS, Wipro, Hero Honda, LG, SAIL, Samsung to name a few, are all using VC today. WebEx says clients such as ICICI, HSBC, HDFC, JP Morgan have all contributed to a huge 10% month-on-month growth in business. A few days back, SBI launched around 100 branches through video and web conferencing.

While IT, ITeS and BFSI have given a big fillip to VC, manufacturing, retail, automobile too have had considerably pushed up growth in these businesses. The success can be gauged from the fact that Polycom's small & medium business (SMB) segment itself contributed 12-15% of customer growth



on the last three months. "It's not only the big players who are adopting the technology in a major way, but SMBs like Su-raj, a Mumbai based diamond company, has also taken this up in a great way," says, Yugal Sharma, regional director, Polycom, India & South Asia.

Today, HR functions such as recruitment and training are being done via video-conferencing. For FMCG and

automobile companies, it has provided a cost-effective platform for brand launches.

The latter is also taking up technical training for dealers. In the BFSI segment, companies are using VC to remain connected to their branch offices. Indraneel Chatterjee, head of VPN, lease line & VPS business in Reliance Communication, says: "We have seen tremendous growth in us-

age of video conferencing solutions and bandwidth in the last three months which can be partially attributed to the enterprises attempt to reduce travel cost." WebEx India MD Kiran Datar says that though it has been catching up over the last 6-8 months the impact has been more pronounced in the last three months.

Not only that, retail companies also find logic in greater usage of such services. Datacraft India has been getting a lot of Indian clients who have global footprint and hence need telepresence facilities for their offices abroad. Recently, a Hyderabad-based software major with offices across 24 locations globally, asked the firm for telepresence facilities.

The Indian videoconferencing market grew at 24.9% in 2007. With \$22.9 million revenues, India was the fourth largest market in Asia Pacific. Growing at a compound annual growth rate (CAGR) of 19.2%, the country is forecast to enjoy a growth higher than other Asian markets. Little wonder that there's an escalation in investments from vendors into the market.

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