

## VoIP Startup Has Portal Dreams

hopes to use cheap phone service to get users hooked on its mix of entertainment services. But it's up against the likes of Google and Yahoo.

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It's a little like social site MySpace and a lot like VoIP-meets-landline service Jajah; a bit like Net TV app Joost and a lot like hyper-IM service Google Talk. And at least one analyst says startup Raketu Communications—pronounced “rockuhtwo”—may be the bellwether of a new, tight integration of communications, social networking, and online entertainment.

The New York City-based startup unveiled on Wednesday its VoIP service, RakWeb, the centerpiece of a site where users can do everything from making cheap phone calls to posting podcasts to listening to music to chatting with friends about those tunes.

From its inception, VoIP has been sold entirely as a vehicle for inexpensive phone calls, but Raketu is hoping to use the technology's money-saving appeal to draw in users and get them hooked on its mix of music, streaming video, IM, text-messaging, video-on-demand, karaoke, podcast sharing, and a number of other entertainment services.

“The integration of communications into social networking will be an ongoing trend, and Raketu is out in front,” said Yankee Group analyst Zeus Kerravala. “Social networking tools will start being used for more purposes [by] consumers, small businesses, and enterprises, and voice will be a key component of this.”

RakWeb is a VoIP service akin to that being offered by startup Jajah. Users access the Raketu site and type in their own landline or mobile number, along with the recipient's number. The service then dials both the caller and the recipient and connects them on their landline or mobile phones at a small fraction of the per-minute rates charged by traditional phone companies.

The year-old Raketu, which has taken an undisclosed amount of VC funding and says it's signed up more than 1.2 million users worldwide, offers three calling options to 42 countries. Subscribers can call each other from their PCs for free anywhere in the world. If one user is on a PC and the other is on a landline, the rates are slightly higher, and if both users are on landline or mobile phones the rates go up. But the rates are generally pennies per minute, the company said.

Will that be enough to attract a crowd? Who knows? But regardless, Raketu faces massive competition.

“Companies like Raketu are trying to become portals,” said IDC analyst Will Stofega, “which is an interesting strategy—except for the fact that we have big companies like Google and Yahoo trying to do the same thing.”

Both search giants offer many of the same services Raketu does and can, of course, leverage their huge user bases and marketing budgets. And juggernauts aside, at least one startup, MIG33, is offering its own version of a VoIP-based all-in-one service. The Burlingame, California-based company serves up a combination of cheap phone calls, SMS, and photo-sharing.

Raketu CEO Greg Parker said neither the portals nor MIG33 have tied things together like his company has. “We have fully integrated these services,” he said. “I can be watching an IPTV channel along with people in my contact list, and we could be communicating about the show via IM or VoIP. It's all interactive.”

Still, even if the upstart can avoid being crushed by entrenched players, it's not clear that the all-in-one strategy will fly with consumers.

“It's uncharted territory,” said Peter Gorham, an independent industry analyst. “Who knows if people looking to save money on phone calls even want to network online with other people?”