

VoIP Lowdown

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33 Reasons why VoIP is Destroying Traditional Telecoms

Over the last 5 years the traditional telecoms' share of the telephone market has shrunk significantly as upstart cellular and VoIP competitors continue to gain ground. But even more bad news is on the horizon for the likes of AT&T and Southwestern Bell; projections indicate that by 2010 more than 25% of American households will no longer even own a traditional land line. But this collapse isn't just a case of good companies struggling because of new competitors and new technology. Rather, there are a number of ways that the telecoms actually brought on their demise...33 reasons in fact. And if you want to know why nobody is going to own a landline in 5 years, and why there is almost no hope of an AT&T turnaround, you better read this...

Were the telecommunications companies asking for it?

1. How customer-friendly and customer focused have telecommunications companies been, during their "heyday"? Apparently, not much, as this [customer statement](#) conveys, "I had been waiting for years to get CW/CID. Never got it in my area... Signed up with VoIP and had it from day 1. I have 2 VoIP providers with more features and it's still cheaper than what I was paying for 1 Landline"

So is VoIP meeting a demand that the Telcos were too complacent to meet? If yes, then it was just a matter of time before the telecoms would have to bow down to newer concepts and technology such as VoIP. And what were their R&D departments doing anyway? Why were telecom giants not incorporating new technologies and features into their services before outsiders could come in and capture the market?

2. A classic example of how "outsider" vendors are meeting a demand that telecommunications companies could and should have; is [GotVoice](#) – a company that lets you access your home and cell voicemail via the web. [Blogger Ted](#) states, "How can I have access to my home and cell voice mail from the web and through email? If we had telephone companies that knew how to build services that customers wanted, this wouldn't even be a question. But there is NO innovation going on at the phone company (fill in your favorite one, or AT&T if you are reading this after they have bought everyone else). Thus companies like GotVoice can come along and fill in the niche."

3. While some telecoms are waking up to the fact that they better brush up their act if they want to continue existing, how well are they adapting? According to the article, '[Pure VoIP Vs. Telecom VoIP: Guidance From VoIP.com](#)', "... the telephone company's VoIP is roughly \$33 and dedicated VoIP providers are \$20."

If VoIP is more cost effective for providers, why are the Telco VoIP rates higher than those of the the dedicated IP providers? The article highlights, "The simple answer might be that it's easier to give consumers a break if you're not shoring up a century's worth of copper wire losses with new technology revenue. One way to do that is by squeezing premium prices out of VoIP consumers. A common

practice is to offer very basic VoIP plans with few features and limited calling areas, prompting users to upgrade to more expensive plans. In comparison, companies that focus solely on VoIP solutions tend to offer more comprehensive feature sets and expansive calling areas for substantially less than their competitors.”

They were asking for it, weren’t they?

What else makes VoIP more attractive than the traditional service? Is it cost, is it better technology, or is it a combination of factors?

It’s Cheaper!

4. Can the telecoms even begin to fathom the concept of competition within free – that’s right – free international phone calls? Well, VoIP companies can – and they even have a business model that makes it profitable!

There’s [Raketu](#) (40 countries), [futurephone.com](#) (50 countries), and then there’s Skype’s free [SkypeOut promotion](#) (2 countries – US and Canada).

5. Free phone adaptor shipped anywhere in the world, for just \$6.99/month and you get cheap VoIP minutes? Check out [iConnectHere](#)’s (deltathree) newly launched “[World Plan](#).”

Why VoIP is a better technology anyway...

6. Raketu’s *peer-to-peer* (p2p) technology eliminates problem areas such as the security issues associated with supernodes (older VoIP technology). This allows the highest quality of VoIP calling and the highest call-completion. In essence, VoIP is evolving everyday – and it will only get better with time aka the evolution of PCs into laptops.

7. All [iConnectHere](#) service plans offer a Virtual Calling Card which allows customers to make calls from toll-free access numbers in 27 countries. They also offer a PC-to-Phone softphone client, which you can use instead/in addition to the phone adaptor. Other value-add features include voicemail, caller ID, 3-way calling, advanced call forwarding and real-time call records.

8. [Pingtel](#), a provider of open source, Linux-based enterprise VoIP solutions, and [Voxbone](#), a provider of international VoIP origination services have completed interoperability testing between their respective offerings. “As a result of this certification, customers can select Pingtel’s SIPxchange IP-PBX VoIP software solution in combination with Voxbone’s call origination services and thereby benefit from cost-effective calls routed to a SIP-based device (IP-phone, IP-PBX, etc.),” [states blogger and VoIP expert Tom Keating](#).

R&D – Evolving Models; New Launches

9. Packet8 maintains a strong focus on evolving better and newer products. While the [original Packet8 Videophone](#) was retailed at \$299, the new soon-to-be launched Packet8 will be priced at \$150.

This new Packet8 portable model, besides being smaller and lighter than the current model, supports the H.264 standard, features a jog-wheel similar to an iPod for navigating the menu screens, and will allow you to hook up your home analog cordless phone. [Keating states](#), “The new videophone is actually more like an ATA (analog telephony adaptor) with a video screen and camera added on top.” The gist is that

in the coming months and years, you will see better VoIP products at even better prices.

10. [Switchvox](#), a provider of IP-PBX phone systems for small- to medium-sized businesses (SMBs), has just launched Switchvox v2.6 at the recent Internet Telephony Conference & Expo. Features include Call Recording Backups, More Reports, Dial by First Name Directory, One Touch Agent Login, Improved Updater, Complex Network Support, and VoIP Provider Compatibility.

11. [Skype](#) continues to evolve its current technology - the next major release of Skype, *Skype 3.0* beta will be launched in mid-November.

12. Web-based [VoIP for Mac and Linux](#) will be available soon.

13. Want to dream about a VoIP enabled future? How about this? “A host of brand new, VoIP-enabled cell phones will soon be ready for action. Imagine driving to work, receiving a call on your cell phone from a client, and then continuing that call on the corporate Wi-Fi network as you walk into the front office. all without any interruption to your call-in-progress. The cell network will just “hand off” the call to your Wi-Fi network” ([O'Reilly Network](#))

But what about voice quality and call completion issues?

14. “A large-scale VoIP study from Keynote Systems concludes that VoIP audio quality is improving, and in some cases exceeds that of the traditional phone network—so long as you’re making calls within the US,” says Nate Anderson ([Some VoIP services surpass traditional phones](#)). He adds, “VoIP from the cable companies actually surpassed the traditional phone network in reliability, meaning that the service was more often available and connected calls without dropping them. Cable providers also led the way in audio quality; the top firm in Keynote’s study actually turned in an MOS of 4.24, above most “real” phone networks.”

This superior MOS is a result of PacketCable, an IP multimedia transmission system optimized for cable plant. However, this does not apply to all VoIP providers - those who simply run standard VoIP connections over a cable modem do not see the same results.

Features, features!

15. The newly released [Skype v2.6 beta](#) constitutes these features:

- Click to call ordinary phone numbers on any website (optional install)
- Find and join Skypescasts in the Live tab.
- Share your links in mood message.
- Search the web with the Google Toolbar (optional install)

16. The *Fritzbox Fon Wlan 7050* is an ADSL VoIP router with built-in PBX (private branch exchange) that allows you to make calls over both the conventional telephone network and the Internet. “You can connect up to three analogue telephones and, for those of you with the right equipment, up to eight ISDN phones. Ten simultaneous SIP-based VoIP numbers can be configured, with dialling rules applied to automatically select the cheapest tariff,” states [reviewer Paul Monckton](#).

17. *Draytel Vigortalk* is just right for hassle-free VoIP calls using a standard phone. Reviewer [Will Stapley \(Personal Computer World\)](#) describes Vigortalk as, “Simple to set up; cheap... decent VoIP adaptor that’s painless to set up and use.” “This is a hardware VoIP adaptor that sits between a standard

phone and your Ethernet router.” It’s perfect for those who were sitting on the fence and avoiding VoIP for fear of setting-up hassles.

18. Your [mobile phone is adapting](#) to and incorporating VoIP: “One of the very cool things about the Nokia E61 is that right out of the box it can handle SIP VOIP calls. Setting this up was surprisingly easy, though manual in nature.”

19. How does [Rebtel](#) make international calls cheap for you? The company assigns a local number to you and your calling party in each of your local countries and then you simply call that local number (using your unlimited local calling from your phone plan) and Rebtel flips the call to VOIP and then switches it back over in the respective local international market.

“While this is not for everyone, if you know someone overseas, this is a great way to still maintain the use of your existing phone system, but save massively on international calls. It’s much easier to explain to a parent or grandparent as well as you do not need a computer to make a call - you simply call a new number for your friend.” ([Rebtel - globally local VOIP for your mobile](#))

20. [Talkster](#) is another promising company in the FMC market. [Blogger Luca Filigheddu states](#), “When you click on a contact in your Talkster address book (that you can populate from the web), the Talkster web application “asks” your mobile phone to call a local PSTN number which corresponds to the contact you’re calling. The most interesting point here is that, unlike services like Rebtel, there is just one unique number (corresponding to a local gateway) which is dialed, always the same for all your contacts, and you don’t have to remember it, because it’s automatically dialed by the Talkster’s web application.”

21. At [www.mozillavoip.com](#) you can find the collection of VoIP extensions and plugins for the Mozilla suite by Abbeyphone Labs.

22. [Actiontec](#)’s *VoSky Exchange 9040/80* can be connected to your company PBX in order to make and receive calls from your normal telephone to Skype users (for FREE) or to other fixed or mobile phones taking advantage of Skype’s rates. “VoSKY Exchange is the first Skype-certified solution that enables businesses of 10 to 300 employees to take full advantage of Skype’s VoIP service. The product requires no changes to existing PBX equipment, phones or user PCs; can be installed in two hours; and allows users to make and receive Skype calls on their regular office phones instead of using a PC and headset.” – [Luca Filigheddu’s blog](#)

23. [Voicepulse](#): Voicepulse’s ‘America Unlimited’ and ‘Local Unlimited’ plans include features such as scheduled do not disturb, anonymous call block, call filters, and telemarketer blocks.

24. [Vonage](#), a key player in the VoIP market, offers free calls to Europe.

25. “[VoiceWing](#) isn’t just a phone service, it’s a communications center that can streamline your calls. Because it functions through your broadband connection, it offers oodles of calling features and capabilities unimaginable with traditional phone service:” - Verizon

26. [GloPhone](#) : Besides the free phone calls, benefits include free unlimited PC to PC calling worldwide, click2call directory, calls from your laptop, among others.

27. “[Truphone](#) is an all SIP solution to the problem of providing a converged mobile phone: a mobile phone that also works in your home over wireless LAN. The main alternative to SIP is

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the UMA (Unlicensed Mobile Access) specification. UMA technology encapsulates GSM traffic in one or more wireless LAN protocols, transmits it over the unlicensed network and then converts it back into GSM protocol.”

28. “[Legerity's Wireless products](#) combine silicon integration and software flexibility to tap into the ever-expanding broadband data pipe.”

What are the other applications of VoIP?

29. [Vivox recently announced](#) their “*one million free minutes*” promotion. It enables the 3D virtual world “Second Life” users to speak to each other via their phones using PC VoIP to landline termination (PC-to-PSTN).

30. [Teamspeak](#), used extensively by the online gaming community, offers a scalable VoIP application which enables many users to simultaneously speak to one another. Teamspeak has approximately 1 million online users (compared with Skype’s 3 million). Considering that online gamers often spend hours per day playing online games, Teamspeak may actually have more users online on a daily basis than Skype.

31. [Hurricane help through VoIP](#)? “Voice-over-Internet Protocol (VoIP) technology helped Allstate Insurance Co. weather hurricanes Rita and Katrina in the Gulf Coast region, enabling quick setup of two offices for displaced agents and claims adjusters who took calls from storm victims...”

32. [VoIP and the Red Cross](#): “Imagine what it must be like to attempt a phone call in the littered wasteland that was once the central Gulf Coast of the United States...” asks the eweek.com article entitled, ‘*VOIP to the Rescue*.’ Though the Red Cross uses the services of ham radio operators that provide weeks of unpaid labor, they need more. And the more is VoIP – “In this case, the Red Cross uses VSATs (very small aperture terminals) to provide the critical links.”

The Adapting Telco?

33. [AT&T's CallVantage](#) is offering plans that are as attractive and competitive as the VoIP companies’ plans. We just might see a turnaround!

Conclusion

So does this mean that the telecom giants are finally waking up? It’s true that VoIP services like *Vonage* and *Packet8* are beginning to force the big phone companies to rethink their service offerings and, more importantly, bring their prices down.

“... it’ll be a while before the VoIP companies will have phone companies cowering in fear, but they are offering more services to keep their customers instead of seeing them walk away without a fight. The arrogance of the big phone companies is beginning to wear off, and true competition will emerge for voice services and eventually the consumer will win out.” ([VoIP services giving traditional bells a pause](#))

What this means is that all these changes are ensuring that the consumer is the winner. And that’s good news isn’t it?

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