

BUSINESS VOIP END-USER TAP PANEL EXECUTIVE SUMMARY

US Businesses are integrating VoIP into the fabric of their everyday activities. The benefits of calling features and functionality that were not always used in the traditional telephone service environment are recognized and put to use by business VoIP end-users. While cost savings has been the primary attraction to subscribing to VoIP, the facile nature of the service helps penetrate the space of traditional telephone services.

Our analysis of VoIP end-users shows that over 60% of users make more than five business-related VoIP calls daily and 24% use VoIP exclusively for business-related calls.

<i>Sample Size:</i>	Total (n=319)	SOHO (n=39)	Small (n=76)	Mid-sized (n=82)	Enterprise (n=122)
Less than 1 call per day	15.0%	15.4%	17.1%	13.4%	14.8%
1 to less than 5 calls per day	22.9%	25.6%	15.8%	17.1%	30.3%
5 to less than 20 calls a day	43.3%	41.0%	44.7%	51.2%	37.7%
20 or more calls a day	17.6%	17.9%	21.1%	17.1%	15.6%
Don't know	1.3%	0.0%	1.3%	1.2%	1.6%

Source: In-Stat, 07/07

Their calls also tend to be of a longer duration than traditional wireline and wireless calls. VoIP business users quickly become savvy to the cost-saving benefit of the service and leverage the service for international, as well as domestic, long distance needs.

<i>Sample Size:</i>	Total (n=319)	SOHO (n=39)	Small (n=76)	Mid-sized (n=82)	Enterprise (n=122)
Less than a minute	1.6%	0.0%	2.6%	1.2%	1.6%
1-5 minutes	35.4%	33.3%	35.5%	39.0%	33.6%
6-10 minutes	36.7%	33.3%	39.5%	40.2%	33.6%
11-30 minutes	15.4%	25.6%	10.5%	13.4%	16.4%
More than 30 minutes	5.6%	5.1%	5.3%	2.4%	8.2%
Don't know/call durations vary tremendously from call to call	5.3%	2.6%	6.6%	3.7%	6.6%

Source: In-Stat, 07/07

Current VoIP end-users rarely limit their use of the service in any way and tend to use VoIP in much the same way they would traditional telephone service, making calls to customers and vendors, as well as local and remote employees.

Connectivity with the Public Switched Telephone Network (PSTN) is currently pervasive in most business VoIP service offerings. However, a substantial portion of the business VoIP user base are also Instant Messaging (IM) users, and seem inclined to use voice-enabled IM capabilities when convenient to do so. Yahoo! and AOL, as well as other client-based providers like Skype, allow users to have free PC-to-PC conversations, as well as connectivity with the PSTN at rates well below most VoIP service offerings. As linkage between IM clients accelerate, business VoIP users will increasingly integrate client-based solutions into meeting their everyday voice connectivity needs.

As a result, VoIP in the business environment continues to be a wide-open market where no provider or technology has a clear advantage at this time. While users in smaller businesses tend to be heavier users of VoIP features and are more inclined to use service providers concentrating on consumer markets, most aspects of VoIP have good general appeal among businesses of all sizes.