

VoIP Captures New Markets

Close to 1200 companies are now providing Voice over Internet Protocol (VoIP) service in the US and Canada. Despite this figure more and more cable companies, DSL operators, and telecom majors are moving to this technology, most likely because they realize that VoIP is the future of telephony. They also likely realize that the market is still wide open, making now the best time to capture it.

The success of VoIP services can be boiled down to two factors. Cost is the first factor. Unlike conventional telecom companies, VoIP companies do not need to invest in expensive infrastructures because the Internet serves this function already. This means they can start and run a phone service at a tiny fraction of the cost of a conventional telecom company's savings that can be passed on to the consumer.

This allows VoIP companies to make a profit while charging rates that are comparatively very low. In fact, some VoIP companies offer call plans starting as low as \$9 a month. Furthermore, most of VoIP companies offer unlimited calling across the US and Canada. The end result is a phone bill half that which the average phone subscriber is likely to pay for conventional telephone service.

The second factor to the success of VoIP services is all the low-cost or no-cost added features. The average VoIP phone comes with a plethora of useful features. These features likely include caller id, call-waiting, three-way calling, call blocking, distinctive ring, international call forwarding, call waiting disable function, repeat dialing, return dial, call filtering, sequential ringing, secondary virtual phone number, additional service lines, toll-free numbers and Web-based management.

This is a massive improvement over the features offered by most conventional services, and since they are usually provided at no additional charge by VoIP services the customer is getting a phone service that not only costs less, but also offers more features. More and more Americans and Canadians are switching to the VoIP services for just this reason. The only additional expense is the up-front cost of the installation of a broadband cable connection or a DSL line, which of course many already have for their computer connection.

Initially the VoIP services were limited to the geeks of the world, who used telephony software that was available free on the net and ran on a computer. This option never gained popularity because the voice quality was usually poor and the service only allowed calls to be made from computer to computer. The requirement for both users to be online and in possession of similar software in order connect over VoIP was a serious limitation.

Once the infant VoIP software was modified to allow connection to specialized or standard phones through adapters it became possible to call from one phone to another. It was then that the potential of VoIP was realized. When companies like Vonage launched an aggressive campaign to woo traditional phone subscribers the technology got a significant further boost. After that the market absolutely exploded.