



## Are Customers Really Buying “VOIP”?

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The VOIP market has become overwhelming to the consumer. What was once a simple concept- the quality transport of voice- is now being driven by technology capabilities rather than the customer needs or business issues that can be solved by the use and application of the technology.

The telephony market has become a "sandbox" for developers and marketers, and the hype can be overwhelming to the technophobe.

The message of VOIP is being lost on the prospective small business customer, because the overwhelming majority of potential users of these "killer products" are neither engineers nor the technically savvy. In fact, the few customers who are industry insiders typically do not have time to tinker with the latest technologies in an effort to get them to work, and to evaluate and compare features, benefits and reliability. They too, are busy running their own business, solving their business problems, and satisfying their customer's needs.

If a carpenter needs a power saw, he buys one. If it is unreliable, he replaces it with another brand. He does not troubleshoot it, and he is not interested in why it let him down. He needs to finish his job. He is also willing to pay a premium for a tool that is reliable, and will not let him down on the jobsite. I submit all business owners are the same with their business tools.

### **What is VOIP?**

VOIP is a method of transporting voice over IP Networks. It is not a product unto itself, any more that the incumbent circuit switched TDM technology is a product.

Do customers really want VOIP? Are they asking for VOIP? I don't believe so.

So why are countless technology companies trying to sell them VOIP?

Instead, we should all be asking the questions: What does the customer want? What does the customer need? What is the customer asking for? What business problem can I solve for him?

Customers need--and are asking for--the **benefits** that Voice Communications over an IP network can give them. However they are not willing to sacrifice any of the core features they have enjoyed for more than 100 years--the basics that the Bell System established and has maintained.

Why is that? I believe that reliability, voice and call quality, customer support, features, and price are the minimum required for any business to be successful.

Not unintentionally, price is last. As it has become painfully obvious to many companies struggling with very low margins that they hope to make up with volume. (ie: Sun Rocket, Vonage, and countless others), price is *not* the most important feature. The luster of a low price quickly fades when phones stop working or voice quality degrades.

Business owners panic because every minute the phones are down, they perceive they are losing customer calls. Lost calls translate into lost business. And for many people who call a business and receive a busy signal or no answer at all, they will call another business. Customer satisfaction and retention is about solving their problem as quickly as possible.

Isn't a High level of Quality and Customer Service what each and every one of us looks for in the products and services we purchase for our personal and professional lives?

## Quality

One of the major issues surrounding full-scale deployment of VOIP to the Small Business market is in how to deliver high quality, reliable calls and service 99.999% of the time. The incumbent Telco's have spent the past 100+ years building and refining a network that does just that. The network also has built-in, proactive monitoring and troubleshooting, so most problems are detected and fixed before the customer realizes it happened. That is the standard to beat if VOIP, as an underlying transport mechanism, is to become the new standard.

Standard, analog telephones are not complex to setup. However, VOIP and SIP devices are orders of magnitude more complex to setup and maintain. And, when there are quality problems, troubleshooting, pinpointing, and solving the problem can be far more difficult.

Some of the questions that arise are: Is the problem with the SIP phone, with the customer's network, network devices, edge router/gateway, broadband provider, network softswitch, PSTN Gateways, PSTN Line, PSTN Phone, or IP PBX? Or, to make matters more complex, could it be a call to a cell phone? That puts another interesting dynamic into the equation.

VOIP Service Providers will need to respond to this demand for quality and reliability by implementing continuous proactive end to end VOIP Network Quality testing- in order to deliver the service at five nines of reliability. This will require the ability to test directly to the edge device- the gateway at the customer premise, or to the endpoint- the SIP Telephone.

There is a propensity to deploying these "VOIP" solutions over a "converged" network at the customer premise. This can only deliver highly reliable communications if the network is engineered to truly support absolute priority for Voice ahead of Data. This requires the Telecom Reseller/Integrator to now take on a new role as the customer's Network Administrator/IT Manager. Is this a role the reseller is comfortable with? Is the customer willing to pay for it?

There is also quite a bit of inertia towards deploying these products using the "Public Internet". Try running metrics such as Packet Loss, Delay, and Jitter over a public Internet connection during the busy periods of the day. Take a look at how many router hops it takes to get from you to your provider. Then, multiply those numbers by the number of simultaneous voice calls you are running over that broadband connection for that business, and the voice and call quality problems increase significantly.

## Summary

Calendar 2008 will mark a clear shift away from the current VOIP focus as a low cost, cheap dial tone service. Customer opportunities will be driven by a strong demand by the consumer (both business and residential) for a high level of quality and reliability in their voice services. Service Providers and Hosted Providers will need to focus on satisfying the customer's needs in providing a telephony product and service that can truly help the business owner be more successful in satisfying his customer's needs- and in growing *his* business. This then becomes a true *win-win-win* scenario for the Telephony supplier, the business owner, and their businesses customers!

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