

# Overseas calls drive VoIP market

An increase in the number of service providers offering voice over internet protocol (VoIP) plus competitive pricing arrangements for consumers, have boosted the take-up of VoIP services in Australia, an ACMA report has found.

The report, *Changes in the Australian VoIP market*, reveals the proportion of household consumers using VoIP rose to 14 per cent in 2009, up from 10 per cent in the previous year.

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'A rise in the number of service providers in the VoIP market is leading to steadily growing diversity and innovation in business models,' said Chris Chapman, Chairman of the ACMA.

'Specifically, there is an emerging trend for ISPs to include VoIP services as a part of a bundled package, especially over naked DSL. With new VoIP service packages becoming available, more consumers are taking advantage of competitive call pricing, particularly to call overseas,' said Mr Chapman.

The report found that international calls are the most popular VoIP call type among household consumers (71 per cent of users), followed by long distance (50 per cent) and local calls (38 per cent).

Small to medium-sized businesses have also taken up VoIP in increasing numbers, with VoIP usage by medium-sized small to medium enterprises (SMEs) growing from 27 per cent to 30 per cent in 2009.

Other findings of the report include:

- > Fifty per cent of internet service providers (ISPs) offered VoIP as part of a bundled package to residential customers and SMEs, up from 42 per cent in December 2007.
- > Heavy internet users (those using the internet eight or more times per week) and those who saw themselves as having a high level of internet skills

were the most likely to use VoIP.

- > Eighty-two per cent of VoIP users are satisfied or very satisfied with their VoIP services.

Sections of the community that are unlikely to adopt VoIP in the near future gave a variety of reasons for not doing so, including low awareness and technical concerns such as equipment requirements. Approximately half of household consumers yet to connect to VoIP said they had a lack of awareness, while 15 per cent said connecting to a VoIP service was 'too much of a hassle'.

'VoIP remains a mystery to many consumers, especially to Australians who are not connected to the internet,' said Mr Chapman. 'As awareness of the technology spreads, more consumers will likely choose VoIP as a communications option'.

The report is available on the ACMA website at [www.acma.gov.au](http://www.acma.gov.au) (go to About ACMA: Publications & research > Research > Changes in the Australian VoIP market).

