

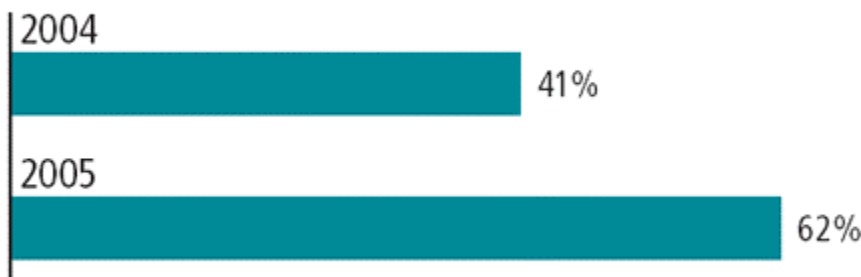


## VoIP Awareness And Familiarity Make Huge Advances

Awareness Up By One-Third, Familiarity Doubles, But Interest Remains Flat, Ipsos-Insight Study Reveals

**June 3, 2005, New York, NY**— Awareness of VoIP (Voice over Internet Protocol) rose dramatically in the past year, with 62% of American Internet users now aware that they can use their Internet connection to make telephone calls, up from 41% only a year ago, according to a recent study conducted by Ipsos-Insight of more than 1,200 Internet users in the U.S.

### Awareness of VoIP



Base: 1,004 online Americans, age 18+

Most consumers surveyed are aware that they can use their regular phone for VoIP telephony, that they can have multiple lines connected, and that they can use their Internet connection while making phone calls. However, the 33% increase in awareness has not yet translated into wide-spread adoption of VoIP, says the leading global survey-based market research company.

"The industry has made progress in clearing up some areas of consumer confusion, but interest in VoIP hasn't grown," said Lynne Bartos, Senior Vice President and head of Ipsos-Insight's Cable, Media & Entertainment Practice. "Providers haven't convinced potential users of its reliability, the cost savings, and the range of features available."

"Critically, consumers are echoing recent media attention with their concern about the ability to dial 9-1-1 from a VoIP phone, although a recent E911 ruling requires the over 11,000 VoIP providers in the U.S. to address this issue," commented Bartos.

Similar to Ipsos-Insight's 2004 VoIP study, most respondents said they either need more information before switching to VoIP, or are happy with the long-distance service they have.

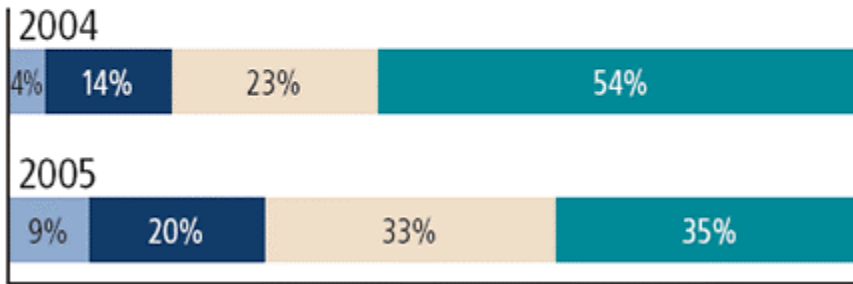
### More Familiarity Increases VoIP Growth Potential

Consumer familiarity with the burgeoning technology grew dramatically over the past year, with 9% of respondents indicating that they were "very familiar" with VoIP and 20% of respondents stating they were "somewhat familiar." Last year, only 4% of respondents were very familiar with VoIP, and 14% were somewhat familiar.



## Familiarity with VoIP

Very Familiar      Somewhat Familiar  
Aware/Not Familiar      Not Aware



Base: 1,004 online Americans, age 18+

Despite increased familiarity, consumer perceptions of VoIP's cost savings have not made any progress in the past year. "Cost savings is likely the primary reason for most consumers to change to VoIP, so service providers cannot afford to lose ground," said Bartos. "Obviously they have to improve their communication of this key benefit if they expect to grow their market share."

"Consumers can use VoIP to communicate in a variety of ways—via an ATA (analog telephone adaptor) device, using an IP telephone, or direct computer-to-computer via specialized software—and each operates in a slightly different way, with different features, a different cost-of-entry, and a variety of service price points," said Bartos. "These points of differentiation create confusion among consumers about VoIP's value proposition—confusion that service providers must overcome in order to improve VoIP adoption rates."

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### Methodology

Data were gathered using the Ipsos U.S. Online Panel from May 11–18, 2005, via a nationally representative U.S. sample of 1,004 respondents aged 18 and over. Panelists are chosen through random telephone surveys conducted on an ongoing basis across the United States. With a total sample size of 1,004 one can say with 95% certainty that the results are accurate to within  $\pm 2.94\%$  percentage points of what they would have been had the entire population of the U.S.'s regular online users been surveyed. The margin of error will be larger for sub-groupings of the survey population.

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