



ooma<sup>TM</sup>

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## All-IP Phone Networks – Implications for Residential Telephony

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# Who Is Ooma?




- Top rated phone service in the U.S. according to Consumer Reports May 2011 issue
- Distributed through Best Buy, Costco, Amazon, Sears, Office Max and others
- Hundreds of thousands of users and growing
- Ooma's strategy: Give away the voice service and up-sell to optional premium services
- Almost half of Ooma subscribers choose to pay for IP-based services beyond the basic (free) voice service

MAY 2011 | CONSUMERREPORTS.ORG

# Consumer Reports®

**CUT YOUR PHONE & CABLE BILL**  
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Rated #1



1	Ooma	VoIP	85
2	WOW	VoIP	84
3	Skype	VoIP	80
4	Verizon FiOS	fiber	79
5	Bright House Networks	VoIP	79
6	Vonage	VoIP	78
7	Cox	VoIP	77
8	Cincinnati Bell	land	77
9	AT&T U-verse	☐	76
10	Cablevision/Optimum	VoIP	75
11	Qwest	land	73
12	Time Warner	VoIP	73
13	Windstream	land	72
14	MagicJack	VoIP	72
15	CenturyLink	land	71
16	Verizon	land	71
17	AT&T	land	71

# Reinventing Voice Communications (and more)



Exceptional Gen 2 VoIP  
Voice Quality



Unique New  
Voice Services



Linux Computer • PBX  
Router • DECT Radio  
Dual Core Processor • USB  
Downloadable Managed Services



Platform for Future  
Managed Services



Free Phone  
Service

# How does IP Impact Residential Telephony?



- Free calling
- Better voice quality than PSTN
- Multi-function devices
- Avoid bundles - pick and choose the best services for your needs and lifestyle



# “Just Say No” to Home Phone Bills



- Average cable phone bill is \$32/month plus government taxes and fees
  - Around \$20,000 over a lifetime
  - PSTN landline can be even higher
- Peering and competition made possible by IP enable Ooma not to charge for unlimited U.S. calling

...and “free” doesn’t mean “cheap” ...



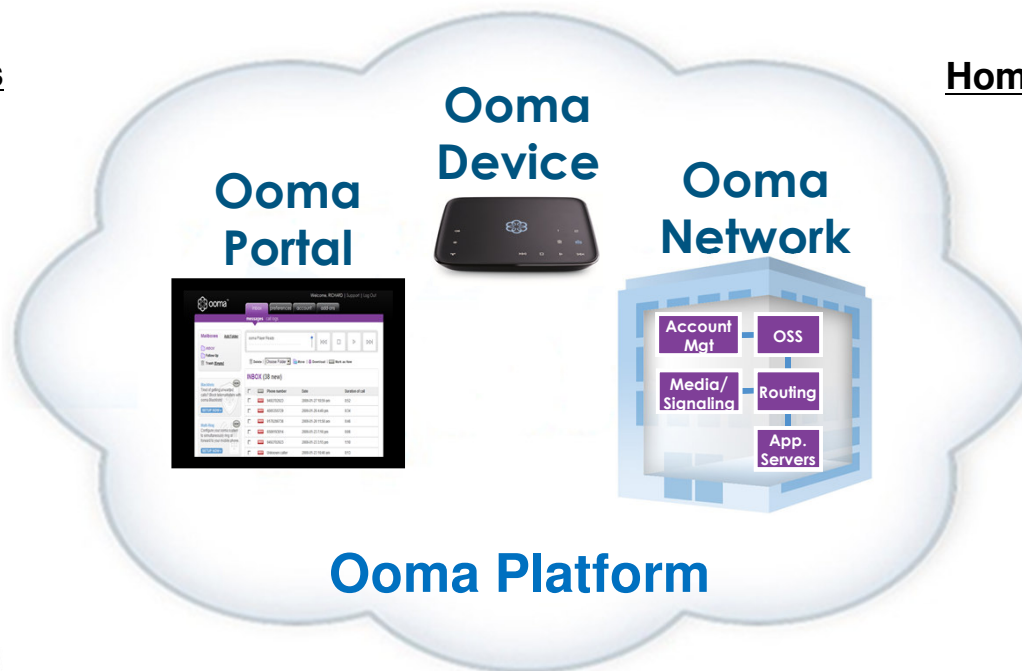
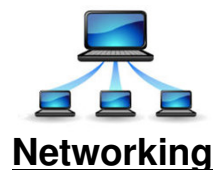
# Second Generation VoIP Sounds Great



- Gen 2 VoIP built around great networking
  - Full wire speed routing makes possible enforced QoS
- Advanced codecs for lower bandwidth and greater resiliency
  - Gen 1 VoIP was built on a brittle codec (g.711) and consumed too much bandwidth
  - Ooma's codec consumes 1/3 the bandwidth and sounds good even with packet loss
- Dynamic redundancy to overcome network congestion
  - Adapt and overcome network congestion
- HD Voice for IP-IP calls
  - The ultimate voice experience



# IP Enables Integration of New Functions



- Deconstructing the bundle
- The best ISP isn't necessarily (or likely) the best
  - Phone service provider – Ooma, Vonage...
  - TV service provider – NetFlix, Amazon, AppleTV
  - Home monitoring service provider – ADT, many coming
  - Many IP-based services coming...
- The convenience of a single bill isn't worth the added cost or service compromises



# IP Will Change Everything



- Telephone service will be free
- Voice quality will be impeccable
- Voice service will become embedded with a multitude of other services in the home
- Bundles will disintegrate



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**Thank You**

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