

Social Networking Meets Mobile VoIP

Copyright 2008 by Virgo Publishing.

<http://www.xchangemag.com/>

By: Tara Seals

Posted on: 01/31/2008

Peer-to-peer VoIP has suffered from a lack of mainstream adoption to date — it's being held back at the chasm, as it were. But in a trend that is both threat and opportunity for service providers, social networking is adding VoIP and going mobile; and the evolving Web 2.0 movement may just be the Trojan horse that takes VoIP clients to volume.

Market analyst Datamonitor says global active memberships in social networking sites reached about 230 million at the end of 2007, which it says "represents an extraordinary cultural trend." Revenue in 2007 from social networking services totaled \$965 million, and will grow to \$2.4 billion by 2012.

"For social networking services, barriers to entry are virtually nonexistent, and both competition and innovation are ferocious," says Ri Pierce-Grove, technology analyst at Datamonitor. "Users have a vast array of options, from titanic generalists like MySpace and Facebook to tiny individual networks on DIY platforms like Ning."



A VoIP widget from babyTEL lets Facebook users click to call.

VoIP integration has snowballed as social networking sites seek to differentiate themselves amid the fray. Since November, MySpace users have been able to click-to-call other members via Skype Ltd. integration within user profiles; P2P calling is free, while premium options include personal phone numbers, voice mail, call forwarding and PC-to-landline/mobile calls. Not to be outdone, MySpace's rival Facebook, which offers a developer kit for third parties to design Facebook applications, has seen several enterprising companies write VoIP widgets for the platform. "Keeping people engaged and connected in a ubiquitous way requires that they offer multiple connection methods to stay connected with the social network," says Tony Mascarenhas, CEO at Voxalot, whose converts can use any existing Internet telephone number for the Voxcall service. From Facebook, friends click on a member's face to initiate a call; numbers and addresses are masked for privacy. Voxalot's VoxPremium service also offers call routing. "Voice mashups is just another phase of Web 2.0 and applying VoIP to social networks was just the next logical step — we just needed an open platform such as Facebook that permitted external applications to accelerate these implementations." Voxalot isn't the only Facebook option; VoIP operator Jangl Inc. offers users the ability to call other members with e-mail addresses as the identifying "numbers." Several Skype

modules are available; and additional VoIP options for Facebook include apps from babyTEL and others.

"The grandfather of all electronic social networks is the telephone," says Stephen Dorsey, CEO at babyTEL, whose service comes with voice mail, an option to send a voice message instead of talking directly, and as of this quarter, the ability to dial out to the public network and cell phones. It also has video and conferencing on the road map. "It is our view that the telephone should be part of the fabric of all social networks — and this idea will grow until most networks will have an associated telephone service."

And increasingly, that phone service will be mobile. "We believe social networking is mostly handcuffed by

virtue of being inextricably tied to a PC experience; people are inherently mobile, yet the social networks in which they participate require sitting in front of a computer screen," says Scott Foernsler, senior vice president of sales and marketing for Air2Web Inc., which provides mobile marketing services to agencies, brands and carriers. "Social networking firms' initial forays into wireless are mostly aimed at duplicating the Web model, which have generated mixed results thus far."

Air2Web is helping social planning portal Evite go wireless. Foernsler says the mobility aspect fundamentally changes the service's value proposition. "Imagine how great it will be when a social gathering service like Evite can send you a text about an event, and also enable you to get driving directions based on where you are at that specific moment," he says. "Further, when the services also add the ability to share content — event photos, video, etc. — with other event attendees via mobile, it will be even more compelling." There is even further value in tying into other networks and leveraging location awareness; Evite users could send a text message to a shortcode to allow friends on Facebook to see where they are, or implementing a widget could make for alerts and click-to-call capability when MySpace friends are nearby.

For the traditional service provider, all of this activity has the potential not only to cannibalize voice revenue but also cut them out of the applications game. "With social networks, to the extent people get used to using them, calls are free," says Dorsey. "We see overall home traffic being greatly reduced to the point that there is no money in it for the big player. The PSTN will only be used for the calls to business or those with whom one does not often communicate. The effect on business will also be profound but delayed."

Meanwhile, the drumbeat for open access is growing ever louder. AT&T Inc., Sprint and Verizon Wireless all have thrown in the walled garden towel on the wireless side, saying they already have or plan to have open networks as the year progresses. On the wired side, net neutrality likewise seems to have won out. With an open Internet, a Web that's accessible in pretty much the same form regardless of access device or network makes for applications free from access restrictions, interoperability issues and the like. And it is at that moment that applications like social networking and VoIP really begin to take off.

So what's a carrier to do? Leverage the network, of course. Ultimately, end users will demand a converged communications experience that the operators will be in the best position to deliver.

"With all the competition in the market, operators cannot afford to do a walled garden," says Maniam Palanivelu, senior manager of wireless solutions at Nortel Networks. "At the same time, carriers have large teams and ecosystems of developers — there will always be a difference in the applications operators offer in terms of delivering the optimized experience — including security, QoE." When it comes to supporting click-to-call and video, he adds, it's the intelligence in the network that will enable a good user experience.

Accordingly, the need to capitalize adequately on that opportunity is driving network development such as 4G and fixed-mobile convergence. "Our preliminary end-user research indicates that there will soon be an explosion of demand for social networking going mobile and integrating real-time applications like VoIP, as end users are wanting to experience that connection wherever they are," says Danny Locklear, director of wireless product marketing at Nortel. "That requires a very high-bandwidth network, so there is a lot of pressure that will require a big change in the networks to handle it."

Operators already are moving to meet the requirements. For instance, Verizon Communications' President and COO Dennis Strigl told investors that Verizon Wireless' 4G plans are part of an effort to become the preferred platform for advanced applications, specifically social networking.

Meanwhile, Sprint is trying to get ahead of the curve by offering access to MySpace from its mobile on-deck portal, beginning sometime this quarter. While MySpace Mobile is free and accessible to any user with access

Popular social planning service Evite is going mobile and adding new functionality.

to the mobile Web (it requires opening the browser on a phone and typing in a URL), Sprint will provide one-click access to the application. MySpace also offers premium services with AT&T Mobile, Helio LLC and T-Mobile USA Inc., which offer slightly more functionality than MySpace Mobile. These services do not, however, feature the one-click access Sprint subscribers will have.

Verizon Wireless parent Vodafone plc, the world's second-largest carrier, has been experimenting with integration with Internet calling services. Dubbed "Starfish," the application would connect subscribers to a range of VoIP clients, including Skype, but routes the traffic over its voice network. The carrier has said it is unsure of where — or whether — Starfish will ever become commercial.

Vodafone isn't alone in considering its options. All carriers have some decisions to make and strategic goals to consider in the face of the coming social networking flood. "On one hand, the carriers are unilaterally determined to market themselves as valuable application/content providers, and not a pipeline to them," says Foernsler. "On the other hand, they obviously devote an enormous amount of resources to developing faster, more reliable networks. Increasingly, they are recognizing that it is very, very difficult to do both well."

Links

Air2Web Inc. www.air2web.com
AT&T Inc. www.att.com
babyTEL www.babytelusa.com
Datamonitor www.datamonitor.com
Evite www.evite.com
Facebook www.facebook.com
Helio LLC www.helio.com
Jangl Inc. www.Jangl.com
MySpace www.myspace.com
Ning Inc. www.ning.com
Nortel Networks www.nortel.com
Skype Ltd. www.skype.com
Sprint www.sprint.com
T-Mobile USA Inc. www.tmobile.com
Verizon Wireless www.verizonwireless.com
Voxalot www.voxalot.com